

# MINSK BAROMETER

Monitoring of  
foreign policy and  
regional security

Dear readers!

We are pleased to present the ninth issue of Minsk Barometer, which analyzes Belarus's foreign policy and its security status in the months of May and June 2019.

The index of Belarus's relationship with **Russia** has rebounded all the way into the positive area from negative values. The developments throughout the analyzed period showed that Belarus and Russia are willing to have a compromise concerning the revision of the Union State Treaty. Their ambitions in the matter of integration tend to evolve towards realism.

The relationship with the **European Union** was still marked by the expansion of contacts and project cooperation, albeit in the absence of progress in politically significant negotiations.

In the **China** dimension, active preparations were underway for the forum for regional cooperation and development; collaboration with Chinese regions gained momentum.

Belarus's relations with the **United States** show a trend that is similar to that European — an increase in the level of contacts, as well as in areas for engagement in the absence of significant breakthroughs in relations.

Contacts with **Ukraine** were ongoing against the backdrop of the recent change of power in Kyiv. Volodymyr Zelensky's election compels Minsk to look for new approaches and revise the old mechanisms of cooperation. The focus of the new Ukrainian president on efforts to reduce tensions with the country's neighbors suggests that collaboration can be intensified.

Amid growing militarization and opposition in the region, Belarus seeks to improve its relations with all sides of the confrontation. Minsk declares expanded involvement in peacekeeping operations, which will strengthen the international status of the country.

Yours respectfully,

Dzianis Melyantsou,

Editor, the Minsk Barometer  
Coordinator of Foreign Policy of Belarus programme,  
Minsk Dialogue Council on Foreign Relations

**4 Relationship with Russia**

**8 Relationship with the European Union**

**12 Relationship with China**

**14 Relationship with the U.S.**

**17 Relationship with Ukraine**

**22 Security Barometer**

**30 Appendix 1**  
Catalogue of events underlying the relations development indices

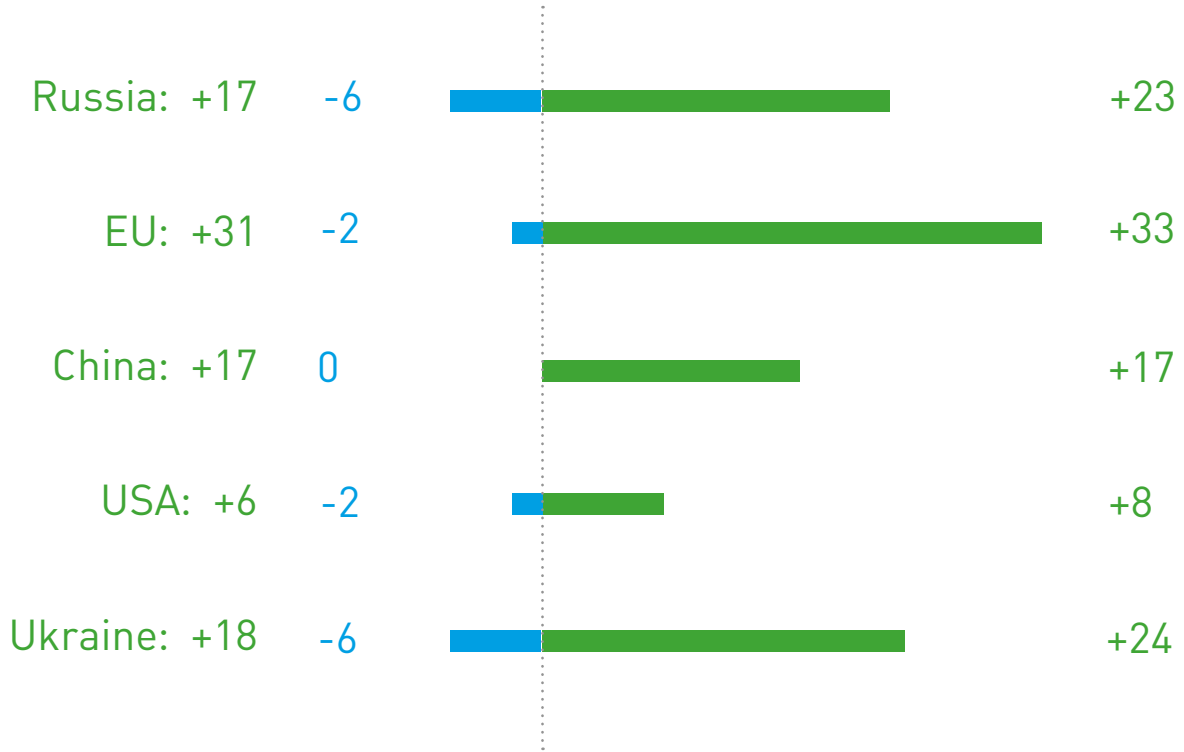
**37 Appendix 2**  
Catalogue of events underlying the security indices

**39 Appendix 3**  
Color scale of regional security tensions

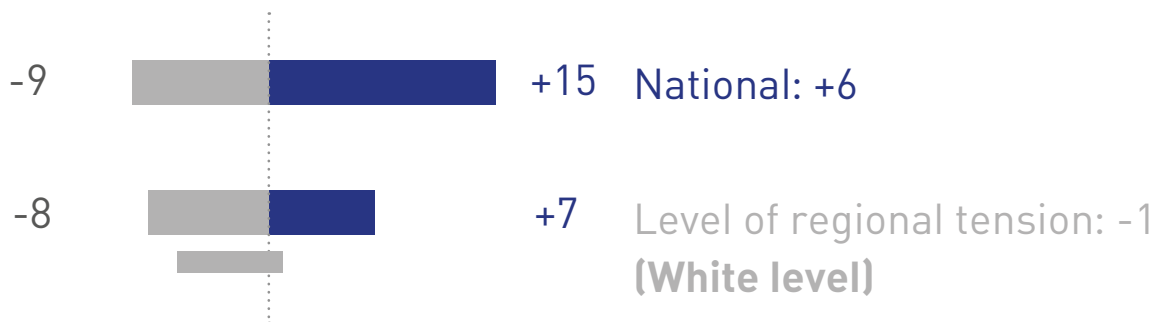
**40 Authors**

**Minsk Dialogue**  
Council on Foreign Relations

## Relations development indices:

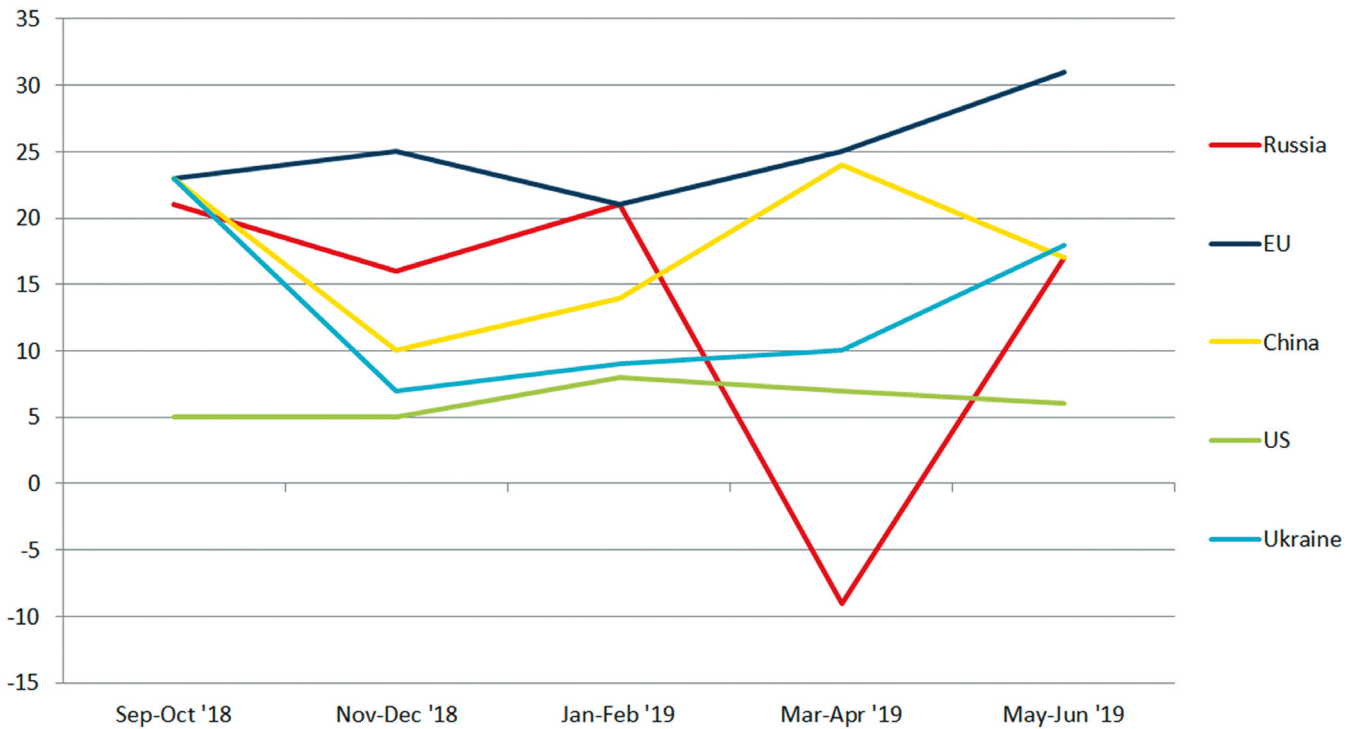


## Security:

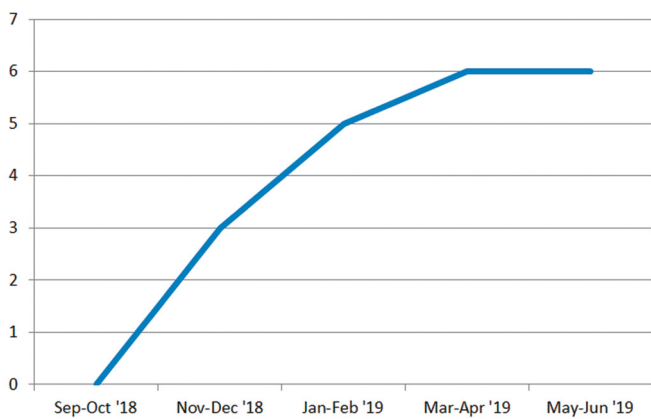


White level indicates the low likelihood of escalation and non-threatening situation.

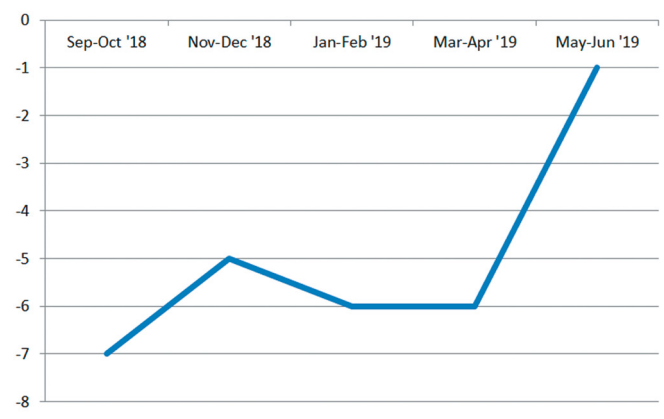
### Dynamics of foreign policy indices



### National security



### Level of regional tension



# Relationship with Russia

+23



-6

Resulting index: +17  
Positive points: +23  
Negative points: -6

## Trends

1. The Druzhba oil pipeline accident manifested the unreliability of energy transit as an integration pillar.
2. This incident creates prerequisites for a compromise with respect to the terms and conditions of oil supply and transit for the next year or two.
3. Belarus and Russia are poised to reach a compromise concerning the revision of the Union Treaty.
4. The parties' integration-related ambitions are moving towards realistic frugality.

## Developments and processes

### Political agenda

During May and June, the degree of confrontation between Belarus and Russia was markedly alleviated, despite the strong impact of such a serious source of tension as the accident at the Druzhba oil pipeline. It was rather the other way round: joint efforts to clean up the trunk pipeline from polluted oil and work to restore Russia's transit to the EU create a framework for a half-way solution to disputes, including compensation for the aftermath of the accident.

The appointment of the new Russian ambassador to Belarus, Dmitry Mezentsev, instead of Mikhail Babich, also produced a quite positive effect on the tonality of the bilateral engagement. Furthermore, the substantive work on the revision of the Union Treaty caused the positions of the Belarusian and Russian working groups converge with respect to the immediate prospects of the Union State. Minsk's hosting the 2nd European Games and the attendance of a Russian delegation also contributed to the improved atmosphere of cooperation.

### Druzhba oil pipeline accident

The most serious accident during the entire period of Russian (Soviet) crude oil and natural gas deliveries to Europe disclosed a few specific details of the current political configuration of the Russian oil market that Belarus deems quite meaningful. It also became compelling evidence of Belarus's decreased transit role for Russia and, consequently, the need to make alterations to its strategic positioning in the relationship with Russia.

It was back on April 19 that Belarus issued first reports about the polluted crude oil. Pumping through the pipeline had to be suspended, but polluted crude reached Ukraine, Poland, the Czech Republic and Germany, which also suspended receipt of oil through the pipeline. By late June, the Belarusian section of the Druzhba pipeline had essentially been free from dirty oil, but it might take up until the end of the year for the pipeline to recover its full functionality. The total amount of poor-quality oil in Druzhba in Russia, Belarus, Ukraine and Poland was estimated by the Belarusian pipeline operator at around 5 million tons.

The accident brought about at least five issues: the technology-related challenge of pipeline cleansing and rehabilitation, putting in place precautions to prevent similar incidents in the future, reduced role of the Druzhba pipeline in Russia's oil transit, assessment and compensation by the Russian side for damages caused by oil pollution, and distribution of liability for the accident and its aftermath between the government, oil companies and Transneft in Russia.

Belarus agreed to the decontamination plan proposed by Transneft without any delay and making no additional claims. It complied with all of the requirements of the plan, while many of Transneft's contractors in Eastern Europe were demanding clearer commitments to recover the costs of the accident. The Belarusian side — a key transit country for Russian crude — suffered the most, with 1.2 million tons of polluted oil in its pipeline section. By June 26, 700,000 tons had been forced towards Russia (Unecha). It is planned that the remaining 500,000 tons of dirty oil will be transferred to the Russian territory as late as by August 1. It seems that the Russian side still has no clear plan how to dispose of the dirty oil, and the process might take a few years.

Belarus intends to control the quality of oil in its section of the Druzhba pipeline in order to prevent the entry of off-spec oil in the future.<sup>1</sup> The Russian side does not seem to be pleased by these plans.<sup>2</sup>

Transneft's reluctance to be subjected to external control is fully in line with the overall picture of the transport monopoly's relationships with Russian oil companies. In response to claims from Russian oil traders about the damage done to their commodities and failure to ensure delivery to consumers, Transneft suggests that they pay for oil metering and control devices at discharge stations, with no access to the operation of these devices — i.e. to actually invest in the modernization of Transneft without acquiring any additional rights.

But it is not only these unconventional proposals made by Transneft that cause discontent of Russian companies. The accident at Druzhba encouraged some industry experts and chief managers of oil companies to refresh their claims concerning Transneft's alleged theft and/or uncontrolled disposal of their property — i.e. oil delivered into the pipe. Industry experts have suspicions that it was Transneft's "related business" consisting in stealing and diluting crude entrusted by oil traders that caused the accident in the first place.

The new wave of complaints about Transneft's laying hands on so-called "residual crude", its reluctance to take responsibility for the Druzhba accident, and attempts to shuffle off the blame and indemnification on to oil traders and/or the government made Transneft a target of criticism and accusations (it has also been accused of undermining Russia's reputation for being a reliable energy supplier and providing solid arguments to opponents of Nord Stream 2).

Transneft had to make a number of moves to respond to claims made by the newly formed lobby of opponents. It agreed to the terms of its main adversary, Rosneft, regarding the tariffs applied to crude pumping to the Komsomolsk refinery.<sup>3</sup> Transneft further decided to pay dividends for the year 2018 in favor of the government (the Ministry of Finance). Finally, Transneft dismissed the general director of Transneft–Druzhba.

Nevertheless, the main conflicts are yet to come. According to the agreement reached by oil companies, the government and Transneft, the mechanism for damage compensation envisages oil receivers presenting claims to senders (i.e. oil traders, for example, Rosneft), which for their part, will redirect them to Transneft, which will be paying compensation. Obviously, disputes over the amount of compensation will be both bitter and long, but Transneft is the one to benefit from the process taking as much time as possible.

Belarus — just as the rest of the injured parties — intends to present its claims at the end of the year. However, in this case, the situation will be somewhat different, as part of the harm

1 <https://sputnik.by/economy/20190624/1041729471/Belarus-budet-proveryat-kachestvo-rossiyskoy-nefti-v-Druzhbe-na-granitse.html>

2 <https://ria.ru/20190628/1556021781.html>

3 <https://1prime.ru/energy/20190604/830035589.html>

done — that caused by the damage to equipment at the refineries and trunk pipelines — Transneft must compensate directly.

Judging by Transneft's statement that the Druzhba accident will not require adjustments to crude transportation plans, as well as the voiced intention of Belarus to raise oil pumping tariffs by 20% to compensate for the short-received transit payments, transit through the Belarusian section will be reduced by 6-8 million tons in 2019.<sup>4</sup>

It is likely that this reduction will continue in 2020. First, ESPO-2 (80 million tons) will start operating at its full capacity. Second, in June, Russia extended for another nine months the restrictions on crude export under OPEC+. Third, the situation with the pollution of Druzhba (given Transneft's position on the compensation for losses) will most likely cause European recipients to curtail their demand for Russian crude from the pipeline. If this should happen, transit through the Belarusian section of the Druzhba pipeline will be reduced to 42 million tons, and its share in Russia's total export transit will drop to 16-17% (all the way down from 38% in 2001). At the same time, the Belarusian government hopes oil processing volumes will be restored by the end of the year.<sup>5</sup>

### **Tax maneuver**

The reduced role of the Belarusian Druzhba pipeline section in Russia's transit affects official Minsk's position in the negotiations over the terms of crude supply and transit to Belarus. However, the accident, for which the Russian side is to blame, the partner-like position of Belarus in this emergency, as well as the complicated relationship between Transneft and Rosneft on the one hand, and between Transneft and the Russian government on the other hand, leave a chance for Belarus to have favorable conditions of crude oil supply and transit extended throughout 2020.

### **Union State**

Cooperation in the oil and gas transport sectors used to serve as both the foundation and benchmark integration cases. Energy transit to Europe made Belarus indispensable for Russia, while Belarus required cheap (compared to the countries of the region) crude and natural gas in order to maintain its "inertial" economy structure. Of all integration plans, this one — "The Creation of a Single Gas and Oil Transportation System" (as it is referred to in the integration documents), i.e. the exchange of relatively cheap oil and gas for a stable and reliable transit — was implemented to the fullest extent. And it is in this area that most of its conflicts occurred. The energy segment is the first one that de facto goes beyond the integration agenda, because almost complete success has been achieved: Russia managed to markedly reduce its dependence on transit through Belarus and other neighboring countries by focusing on offshore pipelines.

The lower dependence on transit through Belarus has become one of the main reasons for revising the Union Treaty. The second motive is the establishment of the EEU and transfer of part of the economic cooperation with Belarus (customs tariffs, technical regulations, financial exchange regulations) to the multilateral format. The third motive is the strengthening of Russian domestic manufacturers and their rapid eventual achievement of production volumes exceeding the requirement of Russia's home market. The above three factors seriously depreciate the Union State for Russia — but not to the extent that it should be completely abandoned, a move that would bring about associated reputational and economic costs. The recall of ambassador Babich may indicate the Kremlin's interest in maintaining integration-focused cooperation with Belarus.

<sup>4</sup> <https://ria.ru/20190611/1555488114.html>

<sup>5</sup> <https://ria.ru/20190620/1555725548.html>

At the same time, Russia would like to narrow its obligations within the Union State. Alternatively, it might wish to find new rationale for maintaining its commitments — the revision of the Union Treaty, initiated by Moscow, is designed especially for this purpose. In the course of the negotiations and approvals of the working groups put together with a view to ensuring more profound integration, it was decided to replace one big integration project with a dozen smaller ones. Efforts to establish supranational bodies and mega-projects such as the Constitutional Act or a union currency have been postponed for an indefinite period.

In the follow-up of the revision of the Union Treaty, up to a dozen sectoral roadmaps for the convergence of framework conditions in Belarus and Russia have been drawn up for financial, industrial, agricultural, transport, tax and other policies. Success and compromise are both possible on this way, primarily because the socio-economic systems of the two countries have changed significantly since 1999.

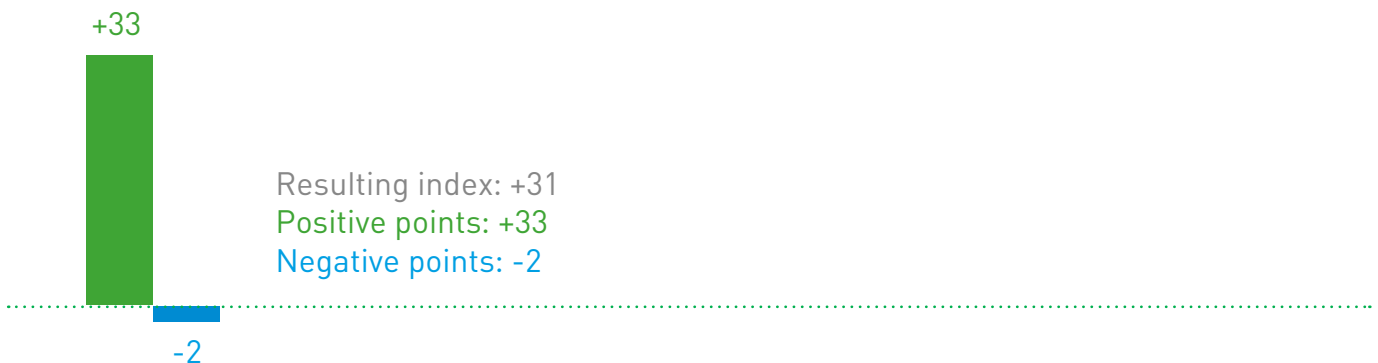
For example, the policies of the national banks currently comply with the standard rules envisaging restrictions on money issue and refinancing rate, and foreign exchange controls. When it comes to industrial and agricultural policies, there has also been certain convergence — Belarus has somewhat reduced budget support in these areas, whereas Russia has increased it and introduced state programs backing the development of some industries by analogy with Belarus. Tax systems still vary greatly, but tax administration is similar, and Belarus additionally seeks to reduce the tax burden on businesses. Customs policy is regulated within the EEU. Convergence in transport policy and other infrastructure policies (telecoms, digitalization, etc.) could see the least conflicts and prove mutually beneficial.

## Forecast

As we predicted in the previous issue of Barometer, the degree of confrontation between the two countries has markedly alleviated, the role of Belarus in oil transit has decreased, and ambitions and expectations from the “deepening of integration” have been reduced to realistic levels.

At the same time, one cannot expect that on July 18, during the scheduled meeting between Putin and Lukashenka in St. Petersburg at the Forum of Russian and Belarusian Regions, any clarity will be achieved with respect to integration and plans to not step it up. Most likely, the true progress of integration impulses in the form of a dozen roadmaps to bring closer specific policies will be presented in November — to celebrate the anniversary of the Union State and emphasize the election campaign in Belarus.

# Relationship with the European Union



## Trends

1. The key trends of recent years — the growth of contacts and project cooperation in the absence of progress in politically significant negotiations — were quintessentialized in the course of the events celebrating the 10th anniversary of the Eastern Partnership.
2. Contacts and cooperation with the EU's and Member States' financial institutions were gradually growing stronger.
3. The events celebrating the 10th anniversary of the Eastern Partnership and the 2nd European Games in Minsk caused a slightly higher intensity of contacts.

## Developments and processes

The months of May and June turned out to be particularly eventful for the Belarus-EU relationship. This is mainly due to the series of projects dedicated to the 10th anniversary of the Eastern Partnership (EaP) and, to a lesser degree, to the 2nd European Games in Minsk, which were attended by a number of high-ranking representatives of the EU Member States.

The beginning of the analyzed period was marked by Lithuania-related issues. On May 2, President Lukashenko met with the former Lithuanian president and currently a MEP, Rolandas Paksas, and said that Minsk wanted to have "peaceful and friendly relations with Lithuania." He also said he wanted Paksas's visit to serve as a good start for the discussion of bilateral issues. The main challenge is the construction of the Belarusian Nuclear Power Plant, which in recent years has completely "poisoned" the political agenda between Minsk and Vilnius, although previously, of all Belarus's bilateral relationships with the EU Member States, the engagement with Lithuania proved to be the most constructive.

The Lithuanian Foreign Ministry isolated itself from Paksas's visit to Minsk in every possible way, saying only that the politician "does not represent Lithuania."<sup>1</sup> Moreover, during the same period, the Lithuanian Foreign Ministry sent an appeal to the European Commission seeking to develop an action plan concerning the Belarusian Nuclear Power Plant. The Belarusian Foreign Ministry responded rather harshly: *"Regretfully we are forced to once again state that the Lithuanian side resorts to groundless and genuinely false statements about the ongoing project to build the Belarusian nuclear power plant and the measures being taken to ensure the safety of the nuclear power plant."*<sup>2</sup>

1 Lithuanian foreign minister: former president Paksas who visited Belarus does not represent Lithuania, <https://news.tut.by/economics/636426.html>

2 Belarus's Foreign Ministry: Lithuania makes use of groundless, false statements regarding BelNPP, <https://www.belta.by/politics/view/mid-belarusi-litva-pribegaet-k-bezosnovatelnyim-i-lzhivym-zajavlenijam-v-otnoshenii-belaes-346463-2019/>



Official Minsk also emphasized that Vilnius was disregarding the Belarusian proposal to create a joint system of monitoring of nuclear facilities located in the territory of both countries. Responding to this Belarus's proposal, Dalia Grybauskaitė, still the president of Lithuania at that time, said: *“Any such agreement to be involved in joint institutions would ‘legitimise’ the Astraviec Nuclear Power Plant. And this would mean we’re tying up our hands and wouldn’t be able to demand that Belarus close down the plant.”*<sup>3</sup>

Those statements essentially served as a confirmation of Minsk's fears that the only real objective pursued by the Lithuanian leadership is to completely shut down the Belarusian nuclear project. This calls into question the very possibility of adequate negotiations, since there is one side that is not ready to meet halfway and is stuck in its rigid position. However, the outcomes of the Lithuanian presidential election give Minsk a hope that the bilateral political agenda will eventually turn out to be more constructive. At least President-elect Gitanas Nausėda voiced his readiness and willingness to negotiate with Belarus. Against this backdrop, statements by the Lithuanian Foreign Ministry started to sound a little softer.

The period under review was dominated by events in Brussels celebrating the 10th anniversary of the Eastern Partnership initiative. The participation of Belarus was rather ambivalent.

On the one hand, Brussels and many capitals of the EU Member States were somewhat dissatisfied with Lukashenka's decision not to attend the celebrations despite a personal invitation. Many interpreted this as yet another signal that Belarus, despite its current rhetoric, has no serious intentions to expand and deepen its relationship with the EU. Minsk, on the other hand, attributes the president's decision to the fact that the relations between Belarus and the European Union have not yet reached a sufficiently high level. According to Foreign Minister Uladzimir Makiej, *“time will come, and so will the president. So far, there have been some restrictions in our relations. I honestly want to say that so far we do not see that even today's events would ensure that such a visit will be one hundred percent effective. A visit should have the best outcomes and as much substance as possible.”*<sup>4</sup>

Apparently, it is not only and not so much about the persisting, albeit symbolic, EU's sanctions against Belarus, but rather the lack of possibility to sign agreements on partnership priorities, as well as on readmission and visa facilitation, which has been observed for several years now.

On the other hand, the participation of a Belarusian delegation in the events in every possible way emphasized Minsk's interest in the promotion of the EaP and more productive relations with the EU. Leading the delegation was the foreign minister, who urged to not get fixated on negative nuances and instead look for *“something common, uniting in order to attain progressive development.”*<sup>5</sup>

Makiej proposed a number of possible areas for work in the EaP format. When speaking at a ministerial meeting, he supported the implementation of major infrastructure projects within the framework of the action plan for investment in the Trans-European Transport Network, called for simplification of terms of trade with the EU, including for non-associated partner countries, and suggested working out the EaP's priorities for the period after 2020, which will be ambitious, but at the same time realistic. Specifically, according to Makiej, one objective could be *“to treble export supplies of the EaP countries to the EU and the volume of EU investments in the EaP countries, double the number of jobs created by the EU in the EaP countries, and implement at least one energy efficiency project in each city.”* The minister also called for increased cooperation in the digital sphere and development of an agreement on personal

3 Grybauskaitė: Lithuania won't be able to cooperate with Belarus because of BelNPP, <https://ru.delfi.lt/news/politics/grybauskajte-litva-ne-mozhet-sotrudnichat-s-belarusyu-iz-za-belaes.d?id=81097989>

4 Makiej in Brussels: We hope the visa facilitation agreement will be signed by the end of the year, <https://news.tut.by/economics/637265.html>

5 On the participation of Foreign Minister Uladzimir Makiej in a meeting of foreign ministers of the Eastern Partnership, [http://mfa.gov.by/press/news\\_mfa/f14791cdb54b78c4.html](http://mfa.gov.by/press/news_mfa/f14791cdb54b78c4.html)

data protection. Another possibility is to establish an IT school in Minsk based upon the example of the EaP European School in Tbilisi. He also voiced Minsk's interest in hosting a high-level event on the occasion of the 10th anniversary of the EaP, which may take place in October.

After the Brussels events, the Belarusian Foreign Ministry formulated other proposals for the EaP framework. For example, the proposals to significantly reduce the time needed for citizens to cross the border between Belarus and the EU, and jointly encourage youth entrepreneurship were voiced by Makiej at a conference organized by Minsk Dialogue and by Alieh Kraŭčanka at a discussion in Vienna.

Another important point, to which official Belarusian representatives repeatedly refer, is the country's hope that the EU itself will not lose interest in the EaP due to internal problems, and that this initiative will continue to develop. It is no coincidence that both the Brussels events and the EaP topic itself enjoyed broad and emphatically positive coverage in Belarus's state media. It can be pointed out once again that the EaP continues to play a special role for Belarus, more important than for the five other partner countries, since in the absence of a bilateral baseline agreement the EaP remains the only systematic format for engagement with the EU.

The second key event of the period was a two-day visit of Siarhiej Rumas to the UK. The program of the visit included a large number of events and meetings. The highlight of the visit was perhaps the participation in the Belarus Capital Markets Day at the London Stock Exchange. That was the first event ever of this format for Belarus, aimed primarily at investors in fixed-income debt securities and portfolio equity investors. The Belarusian premier said that *"this event is to demonstrate our interest in expanding our presence in international markets."*<sup>6</sup>

The prime minister held a series of meetings with the Lord Mayor of the City of London Peter Estlin, Minister of State for Trade Policy at the Department for International Trade George Hollingbery, Secretary of State for Foreign and Commonwealth Affairs Jeremy Hunt, London Stock Exchange CEO Nikhil Rathi. Following Rumas's meeting with First Vice-President of the EBRD Jürgen Rigterink, a memorandum of cooperation was signed to establish Belarus's Foreign Investment Council, as well as to provide pre-privatization assistance to JSC Viciebskdreŭ. The EBRD committed to allocate EUR 15.5 million for the clean water program in the Viciebsk Region. The Belarusian delegation also met with representatives of a number of major banks, including Societe Generale and Deutsche Bank, as well as Renaissance Capital.

According to the National Statistics Committee<sup>7</sup>, two-way trade between Belarus and the countries of the European Union came to USD 6.543 billion in January-May 2019 (down by 10.9% year-on-year). Belarusian export reached USD 3.635 billion, which represents a decrease by 18% from the first five months of 2018. Import from the EU was at USD 2.908 billion (up by 0.1%). Belarus's surplus in trade with the EU countries amounted USD 726.6 million.

## Forecast

The events in Brussels, just as it had been expected, gave rise to numerous statements on the outlook for both the EaP and bilateral relations with the EU. The Belarusian minister voiced his intention to ultimately achieve the signing of partnership priorities, despite the suspension of work on the document due to Lithuania's uncompromising stance. However, it is difficult to predict how long it might take for this to become a reality.

<sup>6</sup> Working visit to the United Kingdom of Great Britain and Northern Ireland, <http://www.government.by/ru/content/8834>

<sup>7</sup> Updated information, <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/operativnye-dannye/>

More tangible expectations were expressed with respect to the other two agreements, which have been negotiated for what seems a shamelessly long period of time — the agreements on readmission and visa facilitation. Here Minsk expects that the deal will be closed by the end of the year, since all challenging issues have been resolved. Brussels shares these expectations. According to Commissioner Johannes Hahn, it remains to identify the date and place for the signing of the document. Although such optimistic statements have already been heard from both the leadership of the Belarusian Foreign Ministry and Hahn himself, this time, the documents are likely to be signed in the coming months.

At the same time, one should keep in mind that the next two months are traditionally a vacation season, so we can expect a seasonal decrease in the intensity of contacts. It is unlikely that some significant events will be taking place within the bilateral EU–Belarus framework. In addition, this year’s “slack season” coincided with the time when the new composition of the European Parliament and the European Commission is formed, which is why Brussels will be busy dealing with personnel issues in the foreseeable future. The staff issue will also affect the EU Delegation to Belarus. Ambassador Andrea Wiktorin will leave Belarus as early as this August, and her successor will arrive in autumn.

# Relationship with China

+17



Resulting index: +17

Positive points: +17

Negative points: 0

## Trends

1. Fast-paced collaboration with Chinese regions continued.
2. Active preparations were underway for the Belt and Road Forum for Regional Cooperation and Development at the CBIP.

## Developments and processes

At the end of May, Colonel General Li Zuocheng, Chief of the Joint Staff Department under China's Central Military Commission (CMC), visited Belarus. He had meetings with Defense Minister Andrej Raŭkoŭ, as well as First Deputy Defense Minister and Chief of General Staff Alieh Bielakonieŭ. The delegation visited the 3rd Guards Airborne Brigade of the Armed Forces of Belarus. The officials discussed joint combat training, military education and explored other issues within the framework of military cooperation.

In May and June, regional cooperation was developing fast. A delegation from the Minsk Region Executive Committee visited Chongqing, where a representative office of the Minsk Region was unveiled, and the delegation represented Belarus at the forum of heads of the SCO regions, which was also held in Chongqing. Representatives of the Homiel Region visited Inner Mongolia, and officials from the Mahilioŭ City Executive Committee visited Tianjin.

One of the landmark events of the period was the signing of the agreement on mutual recognition of documents on education and academic degrees in Minsk within the framework of the fifth meeting of the Commission for Education of the Belarus–China Intergovernmental Committee on Cooperation.

At the end of May, Deputy Finance Minister Andrej Bielkaviec held meetings with Chinese creditor banks — China Exim Bank and China Development Bank. The parties discussed the commitment of a new loan from China Development Bank denominated in yuan (RMB 3.5 billion, or more than USD 500 million). The loan is expected to be extended by the end of this year. Finance Minister Maksim Jermalovič noted that in the light of the new facility, Belarus would postpone its Panda bonds<sup>1</sup> ambition, originally scheduled for the spring of this year.

It is also notable that in June, at a meeting focusing on the Eastern Partnership, Foreign Minister of Belarus Makiej suggested paying attention to the multilateral cooperation track China – EaP countries – EU, noting that China “is a priority trade and investment partner for all of the EaP countries.”<sup>2</sup>

1 BelTA's report dated July 2, 2019 <https://www.belta.by/economics/view/belarus-poka-otlozhila-razmeschenie-panda-bondov-minfin-353589-2019/>

2 BelTA's report dated June 4, 2019 <https://www.belta.by/politics/view/kitaj-javljaetsja-prioritetnym-torgovym-partnerom-dlja-vseh-stran-vostochnogo-partnerstva-makej-349787-2019/>

### **Great Stone**

During the period under review, no new residents were registered in the CBIP, but numerous new residents were announced, to be registered on the days of the Belt and Road Forum for Regional Cooperation and Development in July. In addition to agreements with new residents, a number of memoranda of cooperation with promising resident companies are projected to be signed at the forum. Among the expected manufacturers are Geely (project envisaging the production of automotive components), Chinese shipbuilding corporation, a number of Swiss (R&D, engineering) and Belarusian companies (computer technologies), and the beginning of the creation of a multimodal terminal.

In an effort to find promising investors, CBIP Development Company and the Belarusian Embassy in China and Japan joined their efforts. For example, at the end of May, the first business workshop-forum with the participation of Belarusian officials and representatives of the business community of Belarus, China and Japan focusing on the promotion of the Great Stone Industrial Park and the economic potential of Belarus was held in Tokyo.

### **Other projects**

In May, the Minsk Investment Forum marked the official launched of the project for the development of an international construction materials camp within the Orša-Bremina economic zone. The Chinese partner of the project is Shaanxi Zhongqiao Silk Road Technology Development Co. (about USD 100 million).

## **Forecast**

Belarus intends to continue to expand the list of its export products supplied to China. Its objectives are to not only increase the number of certified importers of dairy products, but also obtain permits to import vegetables, fruit, flour, honey, etc.<sup>3</sup> Given that in June, the government once again increased export KPIs with respect to China for Belarusian state agencies for the years 2019 and 2020 (covering exports of both goods and services)<sup>4</sup>, such plans will be very helpful.

The effect of the Forum for Regional Cooperation and Development may be very limited in the short term, because as of the end of June, the organizers had only planned to sign MOUs concerning a number of major projects, and it will take some more time to approve all details.

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<sup>3</sup> Report by BelTA dated May 13, 2019 <https://www.belta.by/economics/view/belarus-planiruet-nachat-postavki-ovoschej-i-fruktov-muki-i-meda-v-kitaj-347155-2019/>

<sup>4</sup> Resolution of the Council of Ministers of the Republic of Belarus dated June 12, 2019 No. 378 <http://pravo.by/docu-ment/?guid=12551&p0=C21900378&p1=1&p5=0>

# Relationship with the U.S.

+8



-2



Resulting index: +6

Positive points: +8

Negative points: -2

## Trends

1. The number and level of official contacts is progressively increasing, along with the number of areas for engagement.
2. However, the legacy of the previous sanctions-affected period still has a negative impact on the normalization of relations.

## Developments and processes

### Politics and security

The period under review was marked by the trend that can be referred to as dissonant normalization of relations, which continued from the previous period. On the one hand, contacts in politics, security, economics, etc. are expanding and deepening. On the other hand, the engagement is hampered by the momentum of earlier adopted legislative acts and practices of their implementation.

On April 29–May 2, Deputy Foreign Minister Alieh Kraŭčanka visited Washington, where he had a number of high-level meetings. At the National Security Council, he met with Fiona Hill, the U.S. Special Assistant to the President and Senior Director for European and Russian Affairs of the National Security Council. At the Department of State, he had meetings with Philip Reeker, Acting Assistant Secretary of State for European and Eurasian Affairs, and Michael Kozak, Senior Official at the Bureau of Democracy, Human Rights, and Labor. In Congress, he met with Roger Wicker, Co-Chair of the U.S. Commission on Security and Cooperation in Europe, United States Senator from Mississippi, as well as with members of several Senate committees. Ways to foster bilateral economic ties were addressed with Chair of Belarus–U.S. Business Council David Baron.

In the course of Kraŭčanka's visit to the U.S., on May 1, for the first time in the history of the Belarus–U.S. relationship, a joint event commemorating victims of the Nazi genocide of the Jewish population was held. Attending the event were more than 100 people, including representatives of the Department of State and other U.S. government agencies, Jewish organizations, diplomats, and journalists. The event was organized by the Foreign Ministry of Belarus, the U.S. Department of State, as well as the Embassy of Belarus in the United States. A thematic photo exhibition including materials prepared by the Belarusian State Museum of the History of the Great Patriotic War was held at the hall of the United States Diplomacy Center of the Department of State.

Another joint Belarus–U.S. memorial event, this time to mark the 75th anniversary of the destruction of the Minsk ghetto, was held in New York on May 29. The event was initiated by the Permanent Mission of Belarus to the United Nations. Attending were Charge d'Affaires, a.i. of Belarus in the U.S. Paviel Šydoľski, heads of diplomatic missions of the UN Member States involved in the Second World War, representatives of international Jewish and

American organizations, students from a number of U.S. educational institutions, and representatives of the Belarusian diaspora. Acting Permanent Representative of the United States to the United Nations Jonathan Cohen presented commemorative U.S. medals signed by President Donald Trump and Chairman of the U.S. Commission for the Preservation of America's Heritage Abroad Paul Packer to Savely Kaplinsky, the former prisoner of the Minsk ghetto, member of the underground movement, and Hone Epstein, a Belarusian guerilla who was part of the Jewish resistance.

The intensified communication between the two countries also contributes to the conclusion of formal agreements. For example, on May 21, the Foreign Ministry of Belarus hosted the signing of memoranda of cooperation between the State Border Committee, the State Customs Committee, the Ministry of the Interior, the Investigative Committee of the Republic of Belarus and the Drug Enforcement Administration (DEA) of the United States Department of Justice. Given that the relations between Minsk and Washington are far from being close — the two countries are just at the beginning of the normalization process — the signing of such documents can be construed as a serious step towards each other.

However, along with the process of normalization, the momentum of the previous confrontation period still puts pressure on the relationship — its legacy in the form of standards and decisions that are still in place contradicts the interests of the two countries and the actual engagement process. One example is the extension by President Donald Trump for another year of sanctions against a number of Belarusian officials on June 13. According to the U.S. president's letter to the Congress, "The actions and policies of certain members of the Government of Belarus and other persons to undermine democratic processes or institutions of Belarus, to commit human rights abuses related to political repression, and to engage in public corruption continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States."<sup>1</sup>

The possible deployment of a permanent U.S. military base in Poland, which has been negotiated for several months now, continued to be a negative factor. New media reports appeared in this regard following the visit of Polish President Andrzej Duda to Washington in mid-June and the signing of a Polish-American defense declaration. Although this document does not envisage the creation of a military base and any significant expansion of the U.S. contingent in Poland, that development prompted official Minsk to once again voice its concerns. According to Makiej, plans to deploy additional U.S. troops in Poland on a permanent basis are "deeply wrong"; "such a military presence will disturb the balance of forces in the region." According to the minister, the strengthening of NATO military presence on the western borders of Belarus will likely cause symmetrical reciprocal steps on the other side of the border.<sup>2</sup> What is implied here is the need for Minsk to express its solidarity with Russia, its ally, in response to the U.S.' actions. Belarus would like to avoid this situation.

### **Economy and humanitarian issues**

According to the National Statistics Committee, in January-April, two-way trade between Belarus and the U.S. expanded by 5.8% over the same period last year and amounted to USD 224.9 million. Imports increased by 16.7%, while export supplies went down by 14%. Belarus reported a USD 94.5 million deficit. (For data on Belarus's foreign trade with individual countries in January–April 2019, please see <http://www.belstat.gov.by/ofitsialnaya-statistika/realny-sector-ekonomiki/vneshnyaya-torgovlya/>)

In June, BSB Bank announced the development of a service for the Belarusian market jointly with the American payment system Payoneer. The joint BSB Payoneer program will enable Belarusian contractors to receive payments in U.S. dollars from their U.S. customers, including through electronic checks, from international freelance exchanges, various marketplaces (Amazon, Apple, etc.) and through other Payoneer's integrated partners.

<sup>1</sup> <https://www.whitehouse.gov/briefings-statements/letter-president-national-emergencies-act/>

<sup>2</sup> Makiej explains why NATO's enhanced presence in Poland is dangerous - <https://news.tut.by/economics/640266.html>



On June 14, a memorandum of understanding was signed in Washington between the Embassy of Belarus in the United States and Americares in order to improve access to medicines in vulnerable communities. In May, the memorandum was signed in Minsk between the Department of Humanitarian Activity of Belarus and Americares. Americares will provide more than USB 3 million in medicine and medical supplies over five years to health care institutions throughout Belarus. The charity is the world's leading nonprofit provider of donated medicine and medical supplies, distributing over USD 900 million in medicine and supplies annually.<sup>3</sup>

On May 30–June 7, a Belarusian delegation participated in the events of the 23rd Annual Eurasian–American Innovation Technology Week (RANIT) in Philadelphia, PA and New York, NY. Major sessions of RANIT were held on June 3 in the Mayor's Reception Room at Philadelphia City Hall. Belarusian representatives were among speakers at the conference: Paviel Šydloŭski, Charge d'Affaires, a.i. of Belarus in the U.S., Andrej Hančaroŭ, Director of the Institute of Biophysics and Cell Engineering, National Academy of Sciences of Belarus, and Uladzimir Karahin, Chairman, Republican Confederation of Entrepreneurship. Hančaroŭ also made a presentation on Belarusian biotechnology sector at Global Innovations Hubs session.<sup>4</sup>

On 20 May 2019, Deputy Foreign Minister Andrej Dapkiunas met with Paul Packer, Chairman of the U.S. Commission for the Preservation of America's Heritage Abroad. The officials explored possibilities for bilateral cooperation, including the development of tourism and preservation of cultural sites. Special attention was paid to the Second World War and the Holocaust in the context of Packer's participation in the ceremony of reburial of the remains of victims of the Nazi ghetto in Brest on May 22. In addition to the mourning ceremony, Packer also had a separate meeting with the leadership of the Brest City Executive Committee.

According to the Ministry of Sport and Tourism, since the commencement of the visa-free regime for citizens of 80 countries in February 2017, 16,800 U.S. citizens have entered the country via the national airport in Minsk, which is the fourth position after Germany (40,000), Italy (22,000) and Poland (21,800).

## Forecast

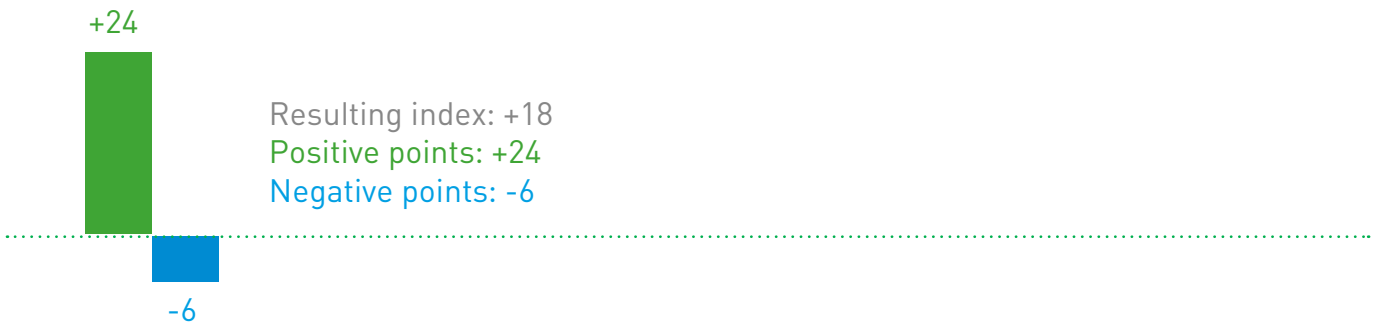
No significant breakthroughs should be expected in the U.S. dimension in the next few months. However, the number and quality of contacts will gradually increase. Since the decision to return the ambassadors and restore full diplomatic relations seems to have been already made and the last formal obstacles to this process have thereby been removed, the parties will strengthen diplomatic engagement. However, this process has its own bureaucratic side, and the appointment of ambassadors to Washington and Minsk may take 12 to 18 months. Nor will this normalization produce any fast economic impact due to the U.S.' insufficient interest in the Belarusian market and the weak competitiveness of Belarusian goods in the U.S.

<sup>3</sup> Signing a Memorandum of Agreement with Americares - <http://usa.mfa.gov.by/en/embassy/news/c7c7042b-579ff4df.html>

<sup>4</sup> On the visit of the Belarusian Delegation to Philadelphia, PA - <http://usa.mfa.gov.by/en/embassy/news/a447aa98faef8453.html>



# Relationship with Ukraine



## Trends

1. In the bilateral framework, the months of May and June were marked by the change of power in Ukraine. Volodymyr Zelensky's victory came as a surprise to official Minsk. The "reset of power" that was triggered in Ukraine dictates the need to look for new approaches and revise old mechanisms.
2. The intensity of political struggle, which will keep growing until the formation of a new coalition in the Ukrainian parliament (August-September), has altered the media background of the Belarus-Ukraine relations. At the same time, the outgoing administration made a series of decisions that might cause conflicts in the future. On the other hand, the focus of Zelensky's team on the reduction in the overall level of tensions with the country's neighbors makes it possible to significantly increase the intensity of engagement between the two countries.
3. The fact that Ukraine's internal political wars are waged partially around the "Russia's revenge" rhetoric — manifested in assumptions that politicians "close to the Kremlin" rose to power in the country — has somewhat lowered the threshold of reaction to developments along the Minsk-Moscow line. However, this effect should be regarded rather as a temporary change in the backdrop, which may be replaced by new media attacks on the Belarus-Ukraine relationship.

## Developments and processes

### Politics

In early May, the Belarusian leadership, which had not expected Zelensky's victory, let alone his winning by a wide margin, sent several signals indicating its willingness to work with the newly elected president of Ukraine and his team. When congratulating foreign leaders on an anniversary of the victory over Nazism, Aliaksandr Lukashenka sent telegrams to both the incumbent president of Ukraine, Poroshenko, and president-elect Zelensky.<sup>1</sup> On May 14, amidst the conflict over setting the date of the inauguration of the Ukrainian president, Belarusian Foreign Minister Uladzimir Makiej — following his meeting with Ukrainian colleagues on the sidelines of the conference celebrating the 10th anniversary of the Eastern Partnership initiative — said that, in his opinion, "there is a clear understanding in Ukraine that Belarus is an important partner, and one should never expect any mean actions against Ukraine from our side."<sup>2</sup>

<sup>1</sup> [http://president.gov.by/ru/news\\_ru/view/pozdravitelnye-poslanija-po-sluchaju-dnja-pobedy-21049/](http://president.gov.by/ru/news_ru/view/pozdravitelnye-poslanija-po-sluchaju-dnja-pobedy-21049/)

<sup>2</sup> <https://www.belta.by/politics/view/makej-v-ukraine-est-chetkoe-ponimanie-vazhnosti-otnoshenij-s-belarus-jju-347297-2019/>

The meetings of Deputy Prime Minister of Belarus Ihar Liašenka in the course of Zelensky's inauguration complied with this logic. The Deputy Prime Minister extended an invitation to the new president of Ukraine to attend the opening of the 2nd European Games<sup>3</sup> and held consultations with Ukrainian colleagues, eventually confirming the date of the Forum of Regions of Belarus and Ukraine in Zhytomyr in October 2019.<sup>4</sup>

The decision of the Belneftekhim concern to resume shipments of oil products to Ukraine against the backdrop of the Russian oil pollution crisis<sup>5</sup>, which was announced the day after Zelensky took office, can be interpreted as an important signal of readiness to cooperate with Ukraine. Given the threat that supplies from Russia might stop, this step had a serious political effect, in addition to the economic component.

Therefore, it would be safe to assume that the change of power in Ukraine took no significant political toll in the context of the Belarus-Ukraine relationship.

In June, following the handover of power to the new president and the preservation of the government's position until the completion of the electoral process, a series of bilateral meetings and events took place that could have a positive impact on the development of cooperation between the two countries:

- President of Belarus Lukashenka met with the second president of Ukraine, Leonid Kuchma, who was reappointed head of Ukraine's representatives in the Trilateral Contact Group on Donbas<sup>6</sup>;
- On June 4-5, a delegation of the Belarusian Ministry of Industry visited Kyiv in order to explore possibilities for engagement in industrial cooperation<sup>7</sup>;
- On June 7, a meeting of the Advisory Council of the Central Banks of Belarus and Ukraine was held in Rivne to address ways to promote cooperation between the two countries and simplify the settlement system for export-import transactions<sup>8</sup>;
- On June 27, the minister of sports and youth affairs of Ukraine met with the minister of sports and tourism of Belarus. A program of cooperation in physical culture and sports for 2019-2020 was signed at the meeting<sup>9</sup>.

Other positive developments of May and June include the continuation of work on border demarcation<sup>10</sup> and another meeting of the special-purpose joint commission, as well as joint exercises of organizations of the Ministry of Emergency Situations of the border area.<sup>11</sup>

The 2nd European Games received positive coverage from Ukrainian media. This was in large part due to the high position of Ukrainian athletes in the final medal standings and feedback from athletes concerning the environment, in which the competition was held in Minsk. In addition, the Ukrainian media noted:

3 <http://ukraine.mfa.gov.by/ru/embassy/news/fa378599eff585da.html>

4 <https://www.kmu.gov.ua/ua/news/drugij-forum-regioniv-ukrayini-ta-bilorusi-zaplanovano-provesti-v-zhovtni-gennadij-zubko>

5 <https://www.ukrinform.ua/rubric-economy/2705310-bilorus-znala-obmezenna-na-eksport-paliva-v-ukrainu.html>

6 <https://www.belta.by/president/view/lukashenko-vstretijsja-v-minske-s-kuchmoj-349932-2019/>

7 <http://ukraine.mfa.gov.by/ru/embassy/news/dbe5c1c304f5aa22.html>

8 <https://www.belta.by/economics/view/tsentrobanksi-belarusi-i-ukrainy-obsudili-voprosy-denezhno-kreditnoj-politiki-i-razvitija-350299-2019/>

9 <https://www.facebook.com/UkrEmbMinsk/posts/2526071294083906>

10 <https://www.belta.by/society/view/bolee-40-km-granitsy-s-ukrainoj-oboznacheno-v-polesskom-radiatsionno-ekologicheskom-zapovednike-348426-2019/>

11 <https://www.ukrinform.ua/rubric-regions/2691851-ukrainski-ta-biloruski-pozezniki-proveli-spilni-navcanna.html>

- the change of the Minsk-2 Airport to the names of the airports of Boryspil and Zhuliany<sup>12</sup>, which are both correct in terms of Ukrainian transliteration into English, referring to this as the involvement of Belarusian aviators in the #KyivNotKiev campaign;
- the condemnation of a citizen of Belarus who had intended to take part in the hostilities in Donbas on the side of the breakaway republics.<sup>13</sup>

Three facts can be treated as negative signals, though:

- The statement by a member of Zelensky's team that four out of eight shifts at the Belarusian Nuclear Power Plant are staffed with Ukrainian specialists. Given the scale of labor migration from Ukraine, this is perceived in Kyiv as a challenge<sup>14</sup>;
- The report that Belarusian side "took a pause" concerning the pardoning of Pavlo Sharoiko, waiting for signals from Ukraine<sup>15</sup>;
- The expulsion of the Belarusian citizen Aliaksandr Franckievič from Ukraine by the Ukrainian Security Service.<sup>16</sup>

Attempts to inject negativity into media background may also include reports about the "transfer of Russian Armed Forces units to Belarus", which were actively spread in regular and social media — Russian troops allegedly trained to redeploy personnel and machinery under the guise of participation in a troop review.<sup>17</sup>

However, despite Ukraine's current election race format and the shift of the media's focus towards the domestic political agenda, the above four developments that received media coverage failed to create a negative background or challenges to the development of Belarus-Ukraine relationship.

## Economy

The period under review can be tentatively split into two parts. In May, agreements reached in the previous months were being implemented against the background of the change of power. Moreover, Ukrainian manufacturers benefited from the situation to protect their interests, while lobbying for the introduction of anti-dumping measures against Belarusian commodities. Representatives of Poroshenko's team took such steps thinking that, on the one hand, they were protecting their own manufacturers, whereas, on the other hand, in case such decisions should be appealed, the matter would become a problem for the new administration (which can subsequently be criticized for its "weak position"). Specifically, within a seven-day period:

- The antidumping probe into the import of metal fittings and some alloy steel products from Belarus was extended for three months<sup>18</sup>;
- Protective duties were imposed on imports of Belarusian clinker and Portland cement.<sup>19</sup>

12 <https://www.ukrinform.ua/rubric-society/2722860-aeroport-minska-tez-dolucivsa-do-kampanii-kyivnotkiev.html>

13 <https://news.tut.by/society/643626.html>

14 <https://www.ukrinform.ua/rubric-society/2725260-gerus-rozpoviv-pro-perevagi-atomnoi-energetiki.html>

15 <https://reform.by/reshenie-o-pomilovanii-zhurnalista-pavla-sharojko-otlozhenno-do-nastuplenija-opredelennyh-uslovij/>

16 <https://www.interfax.by/news/belarus/1260328>

17 [https://censor.net.ua/ua/photo\\_news/3133710/rosiya\\_veze\\_v\\_bilorus\\_eshelony\\_viyiskovoyi\\_tehniky\\_nibyto\\_na\\_parad\\_inform\\_napalm\\_foto](https://censor.net.ua/ua/photo_news/3133710/rosiya_veze_v_bilorus_eshelony_viyiskovoyi_tehniky_nibyto_na_parad_inform_napalm_foto)

18 <http://www.me.gov.ua/News/Detail?lang=uk-UA&id=b5986302-239d-454a-82bc-6270ea60f4c8&title=MkmtRozpochalaAntidempingoveRozsliduvanniaSchodolImportuVUkrainuStalevikhTrubZKitaiu>

19 <http://www.me.gov.ua/News/Detail?lang=uk-UA&id=cafef762-7b44-40f2-9241-cbf4221f635&title=UkrainaNaklalaAntidempingoveMitoNaTsementniKlinkeriTaPortlandsementZRf-BilorusiTaMoldovi>

Among the positive processes that took place in May, the following are notable:

- Continued cooperation in the restoration of navigation along the Dnieper and the Pripyat — joint study of the channels in order to determine the dredging plan for the coming years<sup>20</sup>;
- Decision to launch a new container train between Klaipeda and Odessa<sup>21</sup> is a result of agreements reached at the end of 2018 concerning the development of the North-South transport corridor;
- Strengthening of positions of Belarusian road builders in the market for reconstruction and repair of roads in Ukraine<sup>22</sup>;
- Beginning of BelAZ's shipment of a new type of equipment — sprinkling and irrigation machines — to Metinvest, controlled by the oligarch Rinat Akhmetov<sup>23</sup>;
- Continuation of deliveries of Belarusian-made passenger vehicles to Ukrainian cities. Specifically, the contract for the delivery of trolley-buses to Mykolaiv was fulfilled, and Belarusian suppliers participate in tenders for the delivery of equipment to Zhytomyr and Lviv.<sup>24</sup>

In June, a few events took place having sufficient capacity to impact two-way trade over the next 12-18 months. Importantly, some of them form the foundation for the promotion of industrial cooperation for several years to come. On June 7, the Ukrainian media reported that Zaporizhzhya Automobile Plant (ZAZ) is negotiating with MAZ opportunities for the assembly of trucks (and possibly passenger vehicles) from semi-knocked-down kits at ZAZ's facilities.<sup>25</sup> A few days later, this information was confirmed by the Ukrainian automaker.<sup>26</sup> If successful, the Belarusian automaking sector will acquire a powerful (in terms of manufacturing potential) assembly base in Ukraine, which will make it possible to circumvent import limitations, make vehicles cheaper for end users and at least maintain its market share, which is close to 20%. Belarus's JSC Promagroleasing financed the purchase of 500 gondola cars by Belarusian Railways from PJSC Kryukov Railway Car Building Works (Ukraine), the first major contract for the supply of rolling stock from Ukraine to Belarus in the last decade.<sup>27</sup>

Further engagement will empower the Ukrainian side to address the problem of capacity utilization (now that the Russian market is inaccessible), and the Belarusian side will be able to meet its car fleet renewal requirement.

On June 27, the International Trade Commission under the Ministry of Economy of Ukraine decided not to initiate the revision (extension) of antidumping measures with respect to chipboard and fiberboard supplied from Belarus due to the expiry of the respective protective duties.<sup>28</sup>

20 [https://cfts.org.ua/news/2019/05/10/dnouglibutelnyy\\_flot\\_zavershil\\_dnoochistitelnye\\_raboty\\_na\\_yuzhnom\\_buge\\_i\\_prodolzhaet\\_tralenie\\_na\\_dnepre\\_i\\_pripyati\\_foto\\_53155](https://cfts.org.ua/news/2019/05/10/dnouglibutelnyy_flot_zavershil_dnoochistitelnye_raboty_na_yuzhnom_buge_i_prodolzhaet_tralenie_na_dnepre_i_pripyati_foto_53155)

21 [https://cfts.org.ua/news/2019/05/28/ukraina\\_litva\\_i\\_belarus\\_zapuskayut\\_novyy\\_konteynernyy\\_poezd\\_mezhdu\\_klaypedoy\\_i\\_odessoj\\_53473](https://cfts.org.ua/news/2019/05/28/ukraina_litva_i_belarus_zapuskayut_novyy_konteynernyy_poezd_mezhdu_klaypedoy_i_odessoj_53473)

22 <https://www.belta.by/regions/view/brestskie-dorozhniki-naraschivajut-eksport-tovarov-i-uslug-v-ukrainu-348297-2019/>

23 <https://www.belta.by/economics/view/belaz-nachal-postavljat-v-ukrainu-polivoorositelnye-mashiny-347683-2019/>

24 <https://www.ukrinform.ua/rubric-regions/2704893-mikolaiv-otrimav-23-sucasni-avtobusi-za-rahunok-kreditnih-kostiv-ebrr.html>

25 [https://cfts.org.ua/news/2019/06/07/zaz\\_mozhet\\_nachat\\_sobirat\\_maz\\_53670](https://cfts.org.ua/news/2019/06/07/zaz_mozhet_nachat_sobirat_maz_53670)

26 <http://www.autoconsulting.com.ua/article.php?sid=44116>

27 [https://cfts.org.ua/news/2019/06/24/kvsz\\_postavit\\_v\\_belarus\\_500\\_vagonov\\_53905](https://cfts.org.ua/news/2019/06/24/kvsz_postavit_v_belarus_500_vagonov_53905)

28 <http://www.me.gov.ua/News/Detail?lang=uk-UA&id=7fa88650-8169-4472-9271-75fa0362097e&title=MizhvidomcHaKomisiiaZMizhnarodnoiTorgivliUkhhvalilaRishenniaDliaZakhistuUkrainskikhTovarovirobnikiv>

Finally, the tender for the supply of special (firefighting) vehicles for the State Emergency Service of Ukraine was won by the company, which will supply 120 MAZ chassis-based vehicles by the end of 2020. The total amount of the contract is more than UAH 600 million (EUR 30 million).<sup>29</sup>

Therefore, in the economic sector, the past two months tuned out to be quite positive in terms of the development of the bilateral track. Despite the politicized decisions of May, the parties reached a number of contracts in June, which may become the basis for long-term cooperation programs in the future.

## Forecast

The factor of the change of power elites in Ukraine remains a key one in assessing the prospects of the development of Belarus-Ukraine relations. The shift in the focus of political discussions towards the domestic arena makes contacts between the two countries more resistant to external media attacks. The rapid entry into the electoral (parliamentary) campaign against the backdrop of the growing confrontation between President Zelensky and part of the government and the Verkhovna Rada created a risk of new points of tension associated with the lobbying of Ukrainian producers. However, the burst of negativity in the form of protective duties was observed in May, and the prospects of a complete reset of the parliament and the government keep actors from taking drastic steps.

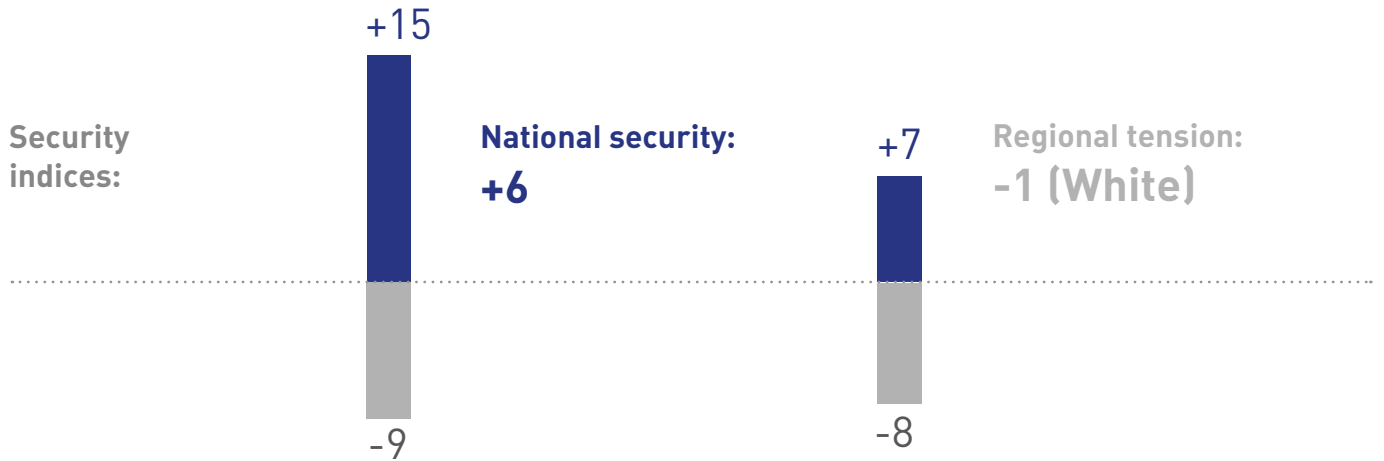
On the other hand, the change of power in Kyiv, which is taking place according to the scenario of a significant (and possibly cardinal) renewal of political elites, sets official Minsk a task to revise the programs of engagement with Ukraine and promptly generate proposals for their adjustment or change. The emphasis on a more rational approach towards the neighboring countries, which Zelensky's team manifests, gives reason for optimism, since Belarus's "economy comes first" approach is close to those embraced by the new president of Ukraine.

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<sup>29</sup> <https://prozorro.gov.ua/tender/UA-2019-03-25-002420-b>



# Security Barometer: status of national and regional security



## Trends

1. The Belarusian leadership is concerned about the growing militarization and confrontation in the region. President Lukashenka and Foreign Minister Makiej continue calling for dialogue and multilateral security cooperation. Belarus is trying to improve its relations with all parties. For instance, as Poland is building up its military force, Belarus has taken steps to promote cooperation with the Polish army.
2. Belarus is eager to expand its involvement in peacemaking operations, seeking to build up its international image and strengthen the elements of neutrality in its foreign policy. Military exercises with the national armed forces and Belarus's international contacts demonstrate this aspiration along with the government's enthusiasm to contribute to the establishment of peace in Ukraine.
3. The arms race and the military force buildup are gaining momentum, and Russia's opponents do not consider Belarus a neutral country. Significant military force and new strategic weapons are being deployed on the borders with the neighboring states and right outside the region.

## 1. National security

### Overall status of the army

At the Shanghai Cooperation Organization summit held on June 14 in Bishkek, President Lukashenka once again criticized the global security situation. He sees a solution in dialogue and more active cooperation within multilateral institutions, the SCO among them. He stated once again that Belarus would very much like to restart the Helsinki process in order to adapt the world to the new realities.<sup>1</sup>

In fact, Minsk does continually face the consequences of the regional confrontation. In June, the State Border Committee said that from 2013 to 2018, the number of foiled attempts to smuggle weapons, ammunition and explosives increased six-fold (45 episodes in the first half of 2019 alone<sup>2</sup>). Official media refrain from specifying the countries of origin, but there is no doubt that they mainly come from Ukraine.

In an effort to strengthen its military capacity independently from Russia, in June, the Belarusian parliament began examining the bill on conscription. It provides for a significant reduction in the number of deferments and suggests incentives and harsh sanctions to facilitate the recruitment of a sufficient number of young people into the army. The parliament is expected to pass the bill during the current session, which indicates the urgency of the problem, considering the first ever failure to provide the planned number of conscripts last year.<sup>3</sup>

Measures were taken in relation to other aspects of national security. Decree No. 215 on the prohibition of flights of model aircraft and unmanned aerial vehicles of June 5 was a response to the growing risk associated with UAVs. The decree authorizes several agencies to intercept UAVs. In late May, the army was supplied with anti-UAV systems of Belarusian manufacture.<sup>4</sup>

### Equipment of the national army

On May 11, the Belarusian army received four more Yak-130 operational training jets, and finished the formation of a full squadron, the process the started in 2015. The military consider the Yak-130 the main type of aircraft that can meet the needs of the army. Defense Minister Andrej Raŭkoŭ says that the Yak-130 is not just a trainer. *“It is also a combat plane capable of carrying three tons of mission load. The Su-25 strike fighter can carry four tons, so the difference is insignificant. In terms of the weapons range and combat effectiveness, the Yak-130 is practically analogous to the Su-25,”* he says.<sup>5</sup>

On May 15, the Russian Federal Service for Military-Technical Cooperation informed TASS about the start of supplies of Su-30SM fighters to Belarus. It is emphasized that the supplies “will be carried out in strict accordance with the terms of the contract once the down

1 Participation in the session of the SCO Council of Heads of State on June 14, 2019 [http://president.gov.by/ru/news\\_ru/view/zasedanie-soveta-glav-gosudarstv-shanxajskoj-organizatsii-sotrudnichestva-21300/](http://president.gov.by/ru/news_ru/view/zasedanie-soveta-glav-gosudarstv-shanxajskoj-organizatsii-sotrudnichestva-21300/)

2 Belarus strengthens capacity of the State Border Committee in the war on illicit arms trafficking, Society, June 11, 2019 <https://www.belta.by/society/view/v-belarusi-realizujut-proekt-po-ukrepleniju-potentsiala-gospogrankomite-ta-v-borbe-s-nezakonnym-350612-2019/>

3 Those who did not serve in the army without valid reason will be banned from civil service. Changes to the conscription procedures, June 24, 2019 TUT.BY <https://news.tut.by/society/642956.html>

4 New technology to combat drones, May 21, 2019 [https://vsr.mil.by/rubrics/aktualno/a\\_new\\_technique\\_to\\_combat\\_drones/](https://vsr.mil.by/rubrics/aktualno/a_new_technique_to_combat_drones/)

5 Dmitry Lobashov, Yak 130: Reliability, speed, agility, May 14, 2019 [https://vsr.mil.by/rubrics/aktualno/yak\\_130\\_reliability\\_speed\\_agility/](https://vsr.mil.by/rubrics/aktualno/yak_130_reliability_speed_agility/)



payment has been received.” Belarus entered into the contract in June 2017.<sup>6</sup>

In May, Minister Raŭkoŭ announced the supply of the Russian Sopka radar station this year and the fifth Protivnik-G station to “build up the radar field for airspace reconnaissance.” He also confirmed the continued modernization of the T-72 tanks in Russia.<sup>7</sup> Belarus has modernized fifteen T-72 tanks in its domestic version. However, the country is incapable of upgrading the tanks on its own. Therefore, Minsk is currently in talks with the Federal Service for Military-Technical Cooperation on the upgrade of another batch of tanks to the T-72B3 version in Russia.<sup>8</sup>

Meanwhile, Belarus continues procuring other types of low-cost and less significant Russian weapons. It was reported in May that Belarus bought the Russian Konkurs-M antitank guided missile launchers to be mounted on the Belarusian Drakon armored vehicles.<sup>9</sup>

### Army training

A special tactical exercise was held at the Damanava training ground in early May to practice the application of support, security and maintenance units in the course of operation of air force and air defense command posts. The on-duty air defense units were managed from mobile command posts. Taking part in the exercise were auxiliary anti-aircraft missile and radio-radar troops and aviation. The communications component included 22 field communication nodes.<sup>10</sup>

On May 12–16, a test session of the Belarusian missile troops took place at the Sary-Shagan test site leased by Russia from Kazakhstan. The 336<sup>th</sup> rocket artillery and 465<sup>th</sup> missile brigades, 85<sup>th</sup> and 86<sup>th</sup> signal brigades, and the 927<sup>th</sup> UAV Training Center practiced operational firing, using Polonaise multiple rocket launchers and Tochka tactical ballistic missile systems at a distance of 60 to 90 km.

On May 17-26, Belarusian and Uzbek special operations forces took part in the Combat Commonwealth–2019 joint tactical exercise in Uzbekistan, the first exercise of the kind. The military practiced “countering international terrorism and religious extremism” on the mountain terrain, storming a village and hostage extraction. The event concurred with an official visit of Chief of General Staff Alieh Bielakonieŭ to Uzbekistan.

On June 14-27, Serbia hosted the regular Belarusian-Russian-Serbian Slavic Brotherhood tactical exercise that involved over 600 personnel operating in multinational tactical groups. Belarus delegated a peacemaking company of the 103<sup>rd</sup> airborne brigade. The military rehearsed the application of multinational forces in antiterrorist operations. The program included the crossing of the Danube, blocking and elimination of terrorists in a village and hostage extraction.

Eight military administration bodies and 19 technical support units of the Belarusian army (around 1,200 personnel in total) took part in a command and staff exercise in mid-June. A maintenance unit was formed of reservists.<sup>11</sup>

6 Svetlana Tsygankova, Russia starts supplies of Su-30SM fighter jets to Belarus, May 15, 2019, <https://rg.ru/2019/05/15/rossiia-nachala-postavki-istrebitelej-su-30sm-v-belarus.html>

7 Dmitry Lobashov, Yak 130: Reliability, speed, agility, May 14, 2019 [https://vsr.mil.by/rubrics/aktualno/yak\\_130\\_reliability\\_speed\\_agility/](https://vsr.mil.by/rubrics/aktualno/yak_130_reliability_speed_agility/)

8 Nikolay Grishchenko, Russia upgrades Belarusian tanks and combat helicopters, May 15, 2019, <https://rg.ru/2019/05/15/rossiia-moderniziruet-tanki-i-boevye-vertolety-belarusi.html>

9 Nikolay Grishchenko, Belarus purchased Russian Konkurs-M missile system, May 16, 2019 <https://rg.ru/2019/05/16/belarus-zakupila-v-rossii-raketnyj-kompleks-konkurs-m.html>

10 ‘Dragons’ at Damanava, May 4, 2019 [https://vsr.mil.by/rubrics/boevaya\\_podgotovka/dragons\\_domanove/](https://vsr.mil.by/rubrics/boevaya_podgotovka/dragons_domanove/)

11 Captain Kirill Franskevich, Special purpose repairmen, June 11, 2019, [https://vsr.mil.by/rubrics/boevaya\\_podgotovka/repairers\\_of\\_special\\_purpose/](https://vsr.mil.by/rubrics/boevaya_podgotovka/repairers_of_special_purpose/)



A Belarusian infantry battalion and engineer units of Belarus, Kyrgyzstan and Russia took part in a special tactical exercise at the Goža training ground (Belarus) in mid-June. An inter-service team worked on facilitating the movement of the battalion engaged in blocking and elimination of a simulated illegal armed group.<sup>12</sup>

### **International contacts of the Belarusian army**

Belarus continued adhering to the multi-vector military diplomacy in the period under review. On May 21-23, a delegation led by head of the Defense Ministry's International Military Cooperation Department Alieh Voinaŭ visited Lebanon and Syria. Voinaŭ inspected the Belarusian unit that is part of the UN Interim Force in Lebanon, and discussed a possible expansion of Belarus's participation in it with the Interim Force leadership.

Chief of Joint Staff of the Central Military Council of China General Li Zuocheng made an official visit to Belarus on May 28-31. He met with the leadership of the Belarusian armed forces to negotiate cooperation in joint combat training, military education and interaction within the Shanghai Cooperation Organization. The general visited the 103rd airborne brigade and the Military Academy of Belarus.

On June 12, head of the Defense Ministry's International Military Cooperation Department Alieh Voinaŭ met with an Estonian delegation led by Director of the International Cooperation Department of the Ministry of Defense of Estonia Eve Vungo. The parties considered regional and international security matters and cooperation in the defense sector.

On June 18-19, Air Force and Air Defense Commander Ihar Holub went to Poland to sign a technical agreement between the Defense Ministries of Belarus and Poland on the exchange of information about the air situation near the shared border and military aircraft flights in the airspace of Belarus and Poland.<sup>13</sup>

On June 21, the CSTO Military Committee held a regular session in Moscow. First Deputy Chief of General Staff Aliaksandr Valfovič represented Belarus. The parties discussed training of management headquarters, formation of the CSTO collective security forces and means, the military cooperation plan for 2020, establishment of the CSTO Information Analysis Center, and challenges and threats to military security in Central Asia.

<sup>12</sup> Shoulder to shoulder towards the common goal, June 18, 2019 [https://vsr.mil.by/rubrics/boevaya\\_podgotovka/shoulder\\_to\\_shoulder\\_toward\\_a\\_common\\_goal/](https://vsr.mil.by/rubrics/boevaya_podgotovka/shoulder_to_shoulder_toward_a_common_goal/)

<sup>13</sup> Defense Ministry informs, June 20, 2019, [https://vsr.mil.by/rubrics/aktualno/the\\_ministry\\_of\\_defence\\_informs---/](https://vsr.mil.by/rubrics/aktualno/the_ministry_of_defence_informs---/)

## 2. Regional Security

### Overall situation in the region

In the course of the Minsk Dialogue expert seminar on June 4, Foreign Minister Makiej called the expansion of the U.S. military presence in the states that neighbor on Belarus a “deeply wrong” process. According to the minister, the NATO regional force buildup provokes a response of the opposing side. He sees an alternative in dialogue by the example of the Helsinki process. He stressed that, being a CSTO member, Belarus had renewed military cooperation with the UK, Germany, Latvia, Lithuania, Poland and the United States.<sup>14</sup>

During his meeting with former Lithuanian President Rolandas Paksas on May 3, President Lukashenka supported Paksas’s proposal to demilitarize the Kaliningrad Region and the entire Baltic Region, which the latter voiced back in December 2018. It was a cautious statement, because only Paksas reported about it, whereas no quotes were posted on the official website of the president of Belarus.<sup>15</sup>

The war in eastern Ukraine remained smoldering. In early June, the U.S. Congress received a bill on granting support to Ukraine to protect its independence, sovereignty and territorial integrity. It envisages increased military aid to Ukraine, including arms supplies and inclusion of the country in the list of the main allies of the United States outside NATO. Attempts to grant this status to Ukraine have been made since 2014. Currently, there are no obstacles to the passing of this bill.

American aid to Kyiv has grown quite significant. During this fiscal year, the United States allocates USD 200 million to support Ukrainian military programs. Next year, the amount will increase to USD 250 million. According to former CIA Director David Petraeus, several American generals are involved in reforming the Ukrainian army and defense industry.<sup>16</sup>

Against the backdrop of global confrontation, President Vladimir Putin’s statement of June 29 that he and his U.S. counterpart Trump instructed their respective foreign ministers to hold consultations to explore the possibility of extending the Strategic Arms Reduction Treaty (START-3) can be treated as a step in the opposite direction. START-3 expires in 2021. Trump had expressed his willingness to sign a new treaty similar to START, a nuclear treaty between the United States, Russia and China.

### Exercises and confidence-building measures

The Spring Storm-2019 exercise was held from April 25 to May 11 in Estonia. It involved the army and the National Guard of Estonia, NATO combat groups deployed in the Baltic States and 500 Latvian servicemen, about 10,000 troops in total.

The Summer Shield XVI exercise took place on May 13-25 in Latvia. It involved 950 personnel from Albania, the Czech Republic, Canada, Latvia, Lithuania, Poland, Spain, Slovenia, Slovakia and Germany. Last year, Summer Shield XV was integrated with another exercise, Saber Strike 2018 with over 3,000 troops.

On May 29, the secret Kraj-19 exercise was held in Poland with the participation of the country’s top leadership. The military worked on actions in conditions of an armed conflict. Neither the program, nor the conclusions drawn were made public. According to the plan, such exercises are to be held every five years, but last time the exercise took place in 2004.

14 Makiej explains the danger of NATO’s expanded presence in Poland, TUT.BY, February 4, 2019 <https://news.tut.by/economics/640266.html?crnd=32234>

15 Ex-president of Lithuania: Lukashenko calls for demilitarization of the Baltic Region, May 3, <https://tass.ru/mezhdunarodnaya-panorama/6399061>

16 General confides. Former CIA chief explains how Ukraine can deliver a crushing blow to Russia, HB magazine issue 23, June 26, 2019, <https://nv.ua/ukr/world/geopolitics/zbroya-dlya-ukrajini-kolishniy-golova-cru-devid-petreaus-dlya-nv-50029642.html>

The Jef (M) 19 Amphibex joint exercise of the armed forces of Latvia, Sweden, Finland, Lithuania, and Estonia was held from June 26 to July 9. Five hundred foreign troops practiced seaborne landing.

This year’s largest Dragon-19 exercise of the Polish army held on June 15-25 covered almost the entire country. Involved in the event were over 18,000 troops (15,000 servicemen of Poland, including 1,000 personnel called from the reserve on this particular occasion), all service branches, the Navy, territorial defense, cyber defense units, and Polish security agencies alongside contingents and equipment (including the F-35 jets) of 12 NATO member states.<sup>17</sup>

In May and June, the number of confidence-building measures decreased from the previous period (see Table 1), but they still remained a significant factor affecting the situation in the region.

**Table 1. Confidence-building measures under the CFE Treaty and the Vienna Document 2011**

| Date of inspection | Composition of the delegation        | Inspected state                  | Note  |
|--------------------|--------------------------------------|----------------------------------|---|
| 19-25 May          | Belarus and other OSCE members       | Belgium, Luxembourg, Netherlands | Air bases and other military facilities       |
| 20-23 May          | UK, Italy, Canada, U.S.              | Belarus                          | Inspection of the 103rd airborne brigade      |
| 21-24 May          | Belarus, Serbia                      | Italy                            | Inspection of a district                      |
| 21-24 May          | Germany, Netherlands, Poland, France | Belarus                          | Inspection of a unit chosen by the inspectors |

**Regional force buildup**

The most important events in terms of the deployment of new forces were associated with the Poland-U.S. relationship. Polish President Andrzej Duda and U.S. President Donald Trump signed a joint declaration in Washington on June 12, affirming defense cooperation.

The American leadership decided to increase its military presence in Poland by placing “around 1,000 soldiers in the near future” in addition to the already deployed 4,500 troops. According to the declaration, Warsaw is set to provide and maintain the adequate infrastructure without involving U.S. funding. The Polish and American governments agreed to establish a Forward Division Headquarters in Poland, joint combat training centers, an air base, and station a squadron of MQ-9 reconnaissance UAVs of the U.S. Air Force.

Poland received less from Washington than it had expected. Moreover, some of the things that Duda and Trump solemnly declared appear to be already in place. The formation of the Forward Division Headquarters started a few months ago in Poznan, and the MQ-9 Reaper UAVs have been deployed in Miroslawiec since March. Polish media make no secret that the Kaliningrad Region, Belarus and areas around the Baltic States are the main surveillance targets. A U.S. Air Force EC-130H Compass Call electronic warfare aircraft has arrived at Krzesiny air base recently. An American signal unit was seen in Boleslawiec, and long-range radar stations are operating along the eastern and western borders of Poland (including the border of Belarus) in Szypliszki, Chruściel and Roskosz.<sup>18</sup>

17 Marek Kozubal, Coraz bliżej największych ćwiczeń wojskowych w Polsce 20 maja 2019 <https://radar.rp.pl/wojsko-polskie/13269-dragon-19-najwieksze-cwiczenia-wojskowe-w-polsce>

18 Marek Kozubal, Stajemy się uszami i oczami NATO, 13.06.2019 <https://www.rp.pl/Analizy/190619712-Stajemy-sie-uszami-i-oczami-NATO.html>

Experts say that Poland aspires to become some sort of an “American carrier deck” on the continent, having in mind that two of America’s allies — the UK and Turkey — are getting marginalized in the EU.<sup>19</sup>

It was reported in May that the Ukrainian army formed the 61st Jager infantry brigade in Chernihiv on the Belarusian border. It had been initiated back in 2015 as the 61st detached infantry brigade as part of the Reserve Corps. The General Staff of Ukraine turned it into a full active combat unit on April 25.<sup>20</sup>

In June, Ukraine announced the creation of the fourth Black Sea naval base in Ochakiv and increased enrolment in the Odessa Naval Academy, the nation’s largest institution that trains naval officers, from 53 students in 2016 to 350 in 2018. Also, the United States is going to hand Ukraine two decommissioned patrol boats and frigates.

It was announced on June 10 that a new tank regiment would be stationed with the 20th combined arms army of the Western Military District in the Smolensk Region of Russia. The regiment equipped with the T-72BA tanks and BMP-2 armored infantry carriers will be formed by December 1 on the basis of the tank battalion that is already deployed there.<sup>21</sup>

### **Deployment of new types of weapons around Belarus**

In May, Poland officially applied to the U.S., requesting the sale of thirty-two F-35 Lightning II jets to ensure its dominance in the region. The estimated cost stands at USD 5 billion, which includes the hardware and infrastructure.

Russian Deputy Minister of Defense Alexei Krivoruchko said in May that the national Aerospace Forces would receive twenty Su-35S fighter jets of the 4++ generation before 2021. The first stock fighter of the fifth generation, Su-57<sup>22</sup>, will be supplied to the Aerospace Forces this year. In June, Deputy Commander of the Russian Aerospace Forces Andrei Yudin said that this year, the Aerospace Forces would be 65% rearmed as planned and will be supplied with 143 new aircraft, two S-400 regiments and the first S-350 Vityaz air defense system.<sup>23</sup>

The first two German-Dutch Boxer armored personnel carriers arrived in Lithuania on June 25. By the end of 2021, the Lithuanian army will have had 88 such vehicles. The value of the contract signed in August 2016, the largest one in the history of Lithuania, is EUR 386 million. The Boxers are intended for two battalions deployed in Rukla and Alytus right across the Belarusian border.<sup>24</sup> Until now, the Lithuanian military mainly used the M113 tracked armored personnel carriers bought from the surplus of the German army in the 1990s. On 17 June, the Lithuanian Ministry of Defense reported the signing of a contract with the United States on the purchase of tactical radio communication equipment worth over USD 3 million financed by the U.S. European Security Support Program. Also, Lithuania is in talks over the

19 Piotr Jendroszczyk, Lotniskowiec USS Polska, 13.06.2019 <https://www.rp.pl/Dyplomacja/190619699-Lotniskowiec-USS-Polska.html>

20 Ruslan Rudomsky, 61st brigade for Belarus: What do we know about the first Ukrainian Jager infantry brigade, May 15, 2019, <http://www.dsnews.ua/politics/61-ya-opebr-pod-belarus-chto-my-znaem-o-pervoy-ukrain-skoy-15052019101500>

21 Russia reinforces its western border with another tank regiment, June 10, 2019, <https://www.militarynews.ru/Story.asp?rid=1&nid=509915&lang=RU>

22 Aerospace Forces to receive 20 Su-35S fighters by 2021, May 29, 2019, <https://www.kommersant.ru/doc/3983672>

23 Defense Ministry confirms plans to upgrade aviation materiel to 65%, June 12, <https://tass.ru/armiya-i-opk/6542368>

24 The first Boxer armored personnel carriers arrived in Lithuania, their mass production has started, Saulius Jakučionis, ru.DELFI.lt, June 25, 2019, <https://ru.delfi.lt/news/economy/v-litvu-postupili-pervye-bmp-boxer-nachato-ih-serijnoe-proizvodstvo.d?id=81547807>

purchase of 200 JLTV armored off-road vehicles from the United States.<sup>25</sup>

It became known in late June that Estonia purchased the Israeli Spike-LR antitank guided missile launchers worth EUR 40 million. Previously, the Spike-LRs were procured by Lithuania and Latvia.

## Forecast

Despite the unfavorable circumstances associated with the creeping militarization all around the state border, Minsk will strive to distance itself from this process and resist it as much as possible, applying political and diplomatic means to promote dialogue between the opposing parties, as well as by means of transparency and confidence-building measures and expansion of relations with NATO and Ukraine.

Given the peculiarities of the relationship with Russia, Belarus will have to take measures that will enhance Russia's defense capabilities amid the opposing force buildup. Minsk will try to reduce this to the provision of new weapons to its army, but, in the longer term, if the current trends persist, the Belarusian leadership will have to agree to a limited presence of the Russian military, albeit insignificant in terms of threats to Belarus's sovereignty, for example, the placement of a Russian air force unit or re-equipment of the existing Russian military facilities in the country.

The degree and effectiveness of Russia's pressure on Minsk will remain limited. Moscow seems to prefer building up forces in the Kaliningrad region and along its western border (including on the Belarusian border), instead of deploying troops in the Belarusian territory or further equipping the Belarusian army.

The overall situation in the region will continue to be determined by the arms race, build-up of forces and involvement of external actors to change the alignment of forces in response to threatening posture assumed by Russia, which will take reciprocal steps. In the near future, the United States will officially provide Poland with the newest weapons to the maximum extent possible, and these deals will determine the long-term perspective of the country, the region and the continent by virtue of the huge shift in the configuration of forces caused by them.

With the practically guaranteed status of America's "main ally outside NATO", Ukraine will become a powerful player in the region, but it will hardly attempt to restore its territorial integrity by force any time soon. The smoldering conflict will continue troubling the entire region basically as a source of instability and illicit arms trafficking, and a medium for political extremism.

<sup>25</sup> Lithuanian Defense Ministry signs a contract with United States on the procurement of radio communication equipment for the army, June 17, 2019 <https://ru.delfi.lt/news/economy/minoborony-litvy-podpisalo-dogovor-s-ssha-o-pokupke-oborudovaniya-radiosvyazi-dlya-armii.d?id=81487571>

## Appendix 1

### Catalogue of events underlying the relations development indices

## Relationship with Russia

| Date        | Event   | Point      |
|-------------|---|------------|
| 7 May       | Rosselkhoznadzor alleviates dairy-related limitations                                     | +1         |
| 9 May       | Exchange of Victory Day congratulations   | +1         |
| 14 May      | Makiej comments on conciliation between Russia and the EU at celebrations of the 10th EaP | +1         |
| 17 May      | Meeting of the Interbank Currency Council, Rumas comments on the Central Bank's work      | +1         |
| 17 May      | Meeting of the Inter-agency Group on Refugees of the Ministries of the Interior           | +1         |
| 27 May      | Consultations between the Foreign Ministries  | +1         |
| 30 May      | Siamaška is granted the status of a deputy premier  | +1         |
| 5 June      | Approval of amendments on cooperation in the military industrial sector                   | +1         |
| 5 June      | New ambassador Mezentsev presents his credentials   | +2         |
| 7 June      | Belarus at the SPIEF  | +1         |
| 17 June     | Session of the Union State Parliament   | +1         |
| 21 June     | Rumas and Medvedev conduct negotiations   | +2         |
| 30 June     | Putin's visit to Minsk for the 2nd European Games, meeting with Lukashenka                | +3         |
| May–June    | Meetings of agrarian agencies   | +2         |
| May–June    | Delay of negotiations on gas and oil prices   | -2         |
| May–June    | Delay of the agreement on mutual recognition of visas                                     | -1         |
| May–June    | Delay of USD 600 million loan   | -1         |
| May–June    | Work to revise Union State Treaty (roadmaps)  | +2         |
| May–June    | Cooperation in cleaning up the Druzhba oil pipeline                                       | +3         |
| May–June    | Difficult negotiations on compensation for the Druzhba pipeline incident                  | -2         |
| <b>Итог</b> |   | <b>+17</b> |

## Relationship with the EU

| Date       | Event   | Point |
|------------|---|-------|
| 2 May      | Lukashenka meets with former Lithuanian president and currently MEP Rolandas Paksas.  | +1    |
| 2 May      | Miasnikovič meets with British Ambassador Fiona Gibb.   | +1    |
| 4 May      | Negative comment of the Belarusian Foreign Ministry on the statements of the Lithuanian Foreign Ministry regarding the BelNPP.                              | -1    |
| 4 May      | Lukashenka's decision not to participate in person in the events dedicated to the 10th anniversary of the Eastern Partnership in Brussels.                  | -1    |
| 6 May      | Alieh Kraučanka's participation in a meeting of foreign ministers of the Visegrad Group member states and the Eastern Partnership initiative in Bratislava. | +1    |
| 13 May     | Lukashenka meets with German Ambassador Peter Dettmar.  | +1    |
| 13-14 May  | Makiej participates in the top and high level events in Brussels organized by the EU to celebrate the 10th anniversary of the Eastern Partnership.          | +2    |
| 16 May     | Belarusian-Polish consultations of Foreign Ministries at the level of deputy ministers.   | +1    |
| 20 May     | Šestakoŭ meets with Ambassador of Denmark Carsten Søndergaard.  | +1    |
| 20 May     | Šestakoŭ meets with Ambassador of Spain Fernando Valderrama de Pareja.  | +1    |
| 20 May     | Šestakoŭ meets with Ambassador of Malta John Paul Grech.  | +1    |
| 20 May     | Šestakoŭ meets with Ambassador of Slovenia Branko Rakowets.   | +1    |
| 20-22 May  | Kraučanka's visit to Paris.   | +1    |
| 27 May     | Belarus-Netherlands consultations between the Foreign Ministries.   | +1    |
| 27 May     | Rumas meets with German Ambassador Peter Dettmar.   | +1    |
| 28-29 May  | Kraučanka's visit to Vienna.  | +1    |
| 3 June     | Kraučanka's visit to Riga.  | +1    |
| 4 June     | Lukashenka, Miasnikovič and Andrejčanka meet with Speaker of the National Council of Slovakia Andrej Danko.   | +1    |
| 6-7 June   | Belarus-Poland economic forum in Hrodna and Minsk, visit of a Polish parliamentary delegation led by Marshal of Senate Stanisław Karczewski.                | +2    |
| 7 June     | Kraučanka meets with Special Envoy of the Swedish Government Kent Harstedt.   | +1    |
| 10-11 June | Rumas's visit to London.  | +2    |
| 12 June    | Kraučanka's visit to Italy.   | +1    |
| 14 June    | Belarus-Finland consultations between the Foreign Ministries  | +1    |
| 17 June    | Makiej meets with German Ambassador Peter Dettmar.  | +1    |
| 18 June    | Kraučanka's visit to Brussels, sixth round of dialogue on human rights between Belarus and the EU.  | +1    |
| 20 June    | Makiej's meeting with Ambassador Ron van Dartel of the Netherlands.   | +1    |
| 21 June    | Kraučanka meets with Bulgarian Ambassador Georgi Vasilev.   | +1    |

## MINSK BAROMETER: Monitoring of foreign policy and regional security

№ 9 [May and June 2019]

| Date        | Event  | Point      |
|-------------|--|------------|
| 21 June     | Lukashenka and Makiej meet with Minister of State for Trade Policy at the Department for International Trade of the UK George Hollingbery. | +1         |
| 21 June     | Miasnikovič meets with Mark Hauptmann, head of the German-Belarusian Parliamentary Friendship Group of the Bundestag.                      | +1         |
| 25 June     | Kraučanka meets with State Secretary of the Ministry of Foreign Affairs and Trade of Hungary Tamás Menczer.                                | +1         |
| 25 June     | Šestakoŭ's visit to Italy, meeting of the intergovernmental Belarus-Italy commission on economic cooperation.                              | +1         |
| May–June    | Positive materials in the official media and statements of the country's leadership concerning the EU.                                     | +1         |
| <b>Итог</b> |  | <b>+31</b> |



## Relationship with China

| Date        | Event   | Point      |
|-------------|---|------------|
| 3 May       | Investment Forum of Belarusian and Chinese companies, Minsk   | +1         |
| 3-4 May     | Visit of a delegation of the Confederation of Chinese Re-Emigrant Entrepreneurs to Belarus, meeting with Chairman of the Council of the Republic Miasnikovič  | +1         |
| 11-12 May   | Visit of a delegation of the Mahilioŭ City Executive Committee to Xian  | +1         |
| 14-16 May   | Visit of a delegation of the Minsk Region Executive Committee to Chongqing  | +1         |
| 15 May      | Lukashenka sends birthday greetings to Xi Jinping   | +1         |
| 16 May      | Receipt of technical and economic assistance from the Chinese Government for the Belarusian customs service   | +1         |
| 16-17 May   | Visit of a delegation of the Mahilioŭ Region Executive Committee to Tianjin, establishment of twin relations  | +1         |
| 17 May      | Business Cooperation Forum of Tianjin, Mahilioŭ Region and Great Stone Park, Tianjin  | +1         |
| 23 May      | Meeting of the Commission for Education of the Belarus-China Intergovernmental Committee on Cooperation, Minsk; signing of the agreement on mutual recognition of documents on education and academic degrees | +1         |
| 28 May      | Day of Belarus in Nanjing   | +1         |
| 28-31 May   | Colonel General Li Zuocheng, Chief of the Joint Staff Department under China's Central Military Commission, visits Belarus  | +1         |
| 9-25 June   | Media tour of Belarusian journalists to China   | +1         |
| 13-14 June  | Visit of a delegation of the Belarusian State Customs Committee to China, participation in the International Customs Dialogue between China and the EEU countries (Harbin)                                    | +1         |
| 17-21 June  | Visit of a Homiel Region delegation to China  | +1         |
| 18 June     | Belarus-China Regional Forum, Hohhot  | +1         |
| 20 June     | Forum of Trade and Industrial Potential of Belarus, Shijiazhuang  | +1         |
| 30 June     | Opening of the exhibition of Belarusian and Chinese commodities within the framework of the Belt and Road forum on regional cooperation and development, Great Stone Park                                     | +1         |
| <b>Итог</b> |   | <b>+17</b> |

## Relationship with the U.S.

| Date           | Event  | Point     |
|----------------|--|-----------|
| 29 April-2 May | Deputy Foreign Minister Alieh Kraŭčanka visits Washington  | +1        |
| 1 May          | For the first time in the history of the Belarus–U.S. relations, a joint event commemorating victims of the Nazi genocide of the Jewish population is held at the Department of State  | +1        |
| 20 May         | Deputy Foreign Minister Andrej Dapkiunas meets with Paul Packer, Chairman of the U.S. Commission for the Preservation of America’s Heritage Abroad   | +1        |
| 21 May         | Memoranda of cooperation are signed between the State Border Committee, the State Customs Committee, the Ministry of the Interior, the Investigative Committee of the Republic of Belarus and the Drug Enforcement Administration (DEA) of the United States Department of Justice | +1        |
| 29 May         | Joint Belarus–U.S. memorial event to mark the 75th anniversary of the destruction of the Minsk ghetto is held in New York  | +1        |
| 30 May -7 June | A Belarusian delegation participates in the 23rd Annual Eurasian–American Innovation Technology Week (RANIT)   | +1        |
| 13 June        | Trump extends for another year sanctions against some Belarusian officials   | -1        |
| June           | Negative statements of the country’s leadership in the media regarding the establishment of a U.S. military base in Poland   | -1        |
| June           | BSB Bank jointly with the American payment system Payoneer develops a service especially for the Belarusian market   | +1        |
| 14 June        | A memorandum of understanding is signed between the Embassy of Belarus in the United States and Americares in order to improve access to medicines in vulnerable communities   | +1        |
| <b>Итог</b>    |  | <b>+6</b> |

## Relationship with Ukraine

| Date     | Event   | Point |
|----------|---|-------|
| 1 May    | Joint firefighting exercise   | +1    |
| 8 May    | Lukashenka congratulates both presidents of Ukraine   | +1    |
| 10 May   | Trawling (joint) on the Dnieper and the Pripyat   | +1    |
| 14 May   | Makiej's statements on the importance of relations with Ukraine   | +1    |
| 14 May   | Extension of the anti-dumping probe into steel rods from Belarus for another three months                       | -1    |
| 17 May   | New type of machines supplied by BelAZ to Metinvest   | +1    |
| 20 May   | Liašenka's visit to Zelensky's inauguration   | +1    |
| 20 May   | Statement by Zubko confirming the date of the Forum of the Regions  | +1    |
| 21 May   | Antidumping sanctions against Belarusian clinker and Portland cement  | -1    |
| 21 May   | Rapid resolution of the issue of restoration of oil products supplies to Ukraine                                | +1    |
| 21 May   | Delivery of passenger vehicles to Ukraine: Mykolaiv, participation in a tender in Zhytomyr, etc.                | +1    |
| 22 May   | Increase in the portfolio of road workers' orders for repair and reconstruction of roads in Ukraine             | +1    |
| 23 May   | Continuation of border demarcation work and regular meeting of the working group                                | +1    |
| 28 May   | New container train from the Black Sea ports to Klaipeda  | +1    |
| 31 May   | Council of the Republic approves a bill on the ratification of the readmission agreement                        | +1    |
| 4-5 June | Delegation of the Ministry of Industry of Belarus in Ukraine  | +1    |
| 5 June   | Meeting between Kuchma and Lukashenka   | +1    |
| 5 June   | Expert Forum in Minsk   | +1    |
| 7 June   | Fourteenth Meeting of the Advisory Council of the Central Banks of Belarus and Ukraine                          | +1    |
| 7 June   | Negotiations between ZAZ and MAZ on the beginning of the assembly of Belarusian cars in Zaporizhzhya            | +1    |
| 12 June  | Joint conference of the National Academy of Sciences of Belarus and Ukraine on the conservation of pine forests | +1    |
| 17 June  | Change of spelling to 'Kyiv' at the Minsk-2 airport (#KyivNotKiev)  | +1    |
| 19 June  | Expulsion from Ukraine of a Belarusian anarchist  | -1    |
| 21 June  | Statement that most of the Belarusian NPP shifts are made up of Ukrainians                                      | -1    |
| 21 June  | No decision in the Sharoiko case (pardon postponed)   | -1    |
| 22 June  | Statement that the Russian troops "are being redeployed to Belarus"   | -1    |
| 24 June  | Supply of 500 gondola cars to Belarusian Railways   | +1    |
| 27 June  | Termination of the antidumping measures against the import of particleboards and fiberboards from Belarus       | +1    |

| Date        | Event  | Point      |
|-------------|--|------------|
| 27 June     | Meeting of the Minister of Youth and Sports of Ukraine with the Minister of Sports and Tourism of Belarus in Minsk                         | +1         |
| June        | Positive background in connection with athletes' positive feedback about the 2nd European Games and Ukraine's place in the medal standings | +1         |
| <b>Итог</b> |  | <b>+18</b> |

## Appendix 2

### Catalogue of events underlying the security indices

| Date              | Event   | National security | Regional tension |
|-------------------|---|-------------------|------------------|
| May-June          | Four Belarus-NATO reciprocal inspections under the Treaty on Conventional Forces in Europe and Vienna Document 2011                                     | +4                | +4               |
| 25 April – 11 May | Spring Storm-2019 exercise in Estonia   | 0                 | 0                |
| Entire period     | Increased number of attempts to smuggle arms, ammunition and explosives through the Belarusian border   | -1                | -1               |
| Early May         | Special tactical exercise of the Belarusian army at the Damanava training ground  | +1                | 0                |
| 11 May            | Transfer of four Yak-130 planes to Belarus  | +1                | 0                |
| 12-16 May         | Test session of the Belarusian missile troops at the Sary-Shagan test site  | +1                | 0                |
| May               | Deployment of Ukraine's 61st Jager infantry brigade on the Belarusian border  | -1                | 0                |
| May               | Poland officially asks the United States to sell a large batch of the F-35 jets   | -2                | -2               |
| Entire period     | Supplies of the Su-35S fighter jets to the Russian Aerospace Forces   | 0                 | 0                |
| 13-25 May         | Summer Shield XVI exercise in Latvia  | 0                 | 0                |
| 15 May            | Information about the start of supplies of the Su-30SM fighters to Belarus  | +1                | 0                |
| 17-26 May         | Belarusian-Uzbek Commonwealth-2019 joint tactical exercise  | +1                | 0                |
| May               | Information about the procurement of the Konkurs-M antitank guided missile launchers by Belarus   | +1                | 0                |
| 28-31 May         | Visit of Chief of Joint Staff of the Central Military Council of China Li Zuocheng to Belarus   | +1                | 0                |
| 29 May            | Secret Kraj-19 exercise in Poland with the participation of the country's top leadership  | 0                 | -1               |
| 10 June           | Information about the deployment of a new tank regiment in the Smolensk Region  | 0                 | -1               |
| 12 June           | Visit of the Estonian delegation led by Director of the International Cooperation Department of the Ministry of Defense of Estonia Eve Vungo to Belarus | +1                | +1               |
| 12 June           | Signing of the Polish-American declaration on defense cooperation   | -3                | -2               |

## MINSK BAROMETER: Monitoring of foreign policy and regional security

№ 9 [May and June 2019]

| Date             | Event  | National security | Regional tension  |
|------------------|--|-------------------|-------------------|
| 14-27 June       | Belarusian-Russian-Serbian Slavic Brotherhood tactical exercise in Serbia  | -1                | 0                 |
| 15-25 June       | This year's largest Dragon-19 exercise of the Polish and allied forces   | -1                | -1                |
| Mid-June         | Command and staff exercise with military administration bodies and technical support units of the Belarusian army  | +1                | 0                 |
| Mid-June         | Special tactical training exercise with a Belarusian mechanized battalion and engineer units of Belarus, Kyrgyzstan and Russia at the Goža training ground | +1                | 0                 |
| 18-19 June       | Visit of Air Force and Air Defense Commander Ihar Holub to Poland to sign the technical agreement between the Defense Ministries of Belarus and Poland     | +1                | +2                |
| 25 June          | Start of supplies of Boxer armored personnel carriers to the Lithuanian army   | 0                 | 0                 |
| 26 June - 9 July | Jef (M) 19 Amphibex joint exercise of the armed forces of Latvia, Sweden, Finland, Lithuania, and Estonia  | 0                 | 0                 |
| <b>Total</b>     |  | <b>+6</b>         | <b>-1 (White)</b> |

### Appendix 3

#### Colour scale of regional security tensions

| Colour Value  | Numerical Value | Interpretation   |
|---------------|-----------------|--|
| <b>White</b>  | higher than -1  | Low likelihood of escalation. Non-threatening situation  |
| <b>Green</b>  | from -2 to -6   | Presence of military activities, which do not pose a direct threat and will not necessarily lead to the escalation of tensions. Such a situation calls for cautious attention. |
| <b>Yellow</b> | from -7 to -12  | Military and other activity is observed that is capable of leading to the escalation of tensions. The situation calls for close attention.                                     |
| <b>Orange</b> | from -13 to -17 | Military preparations in the region. Growing tensions. Situation is threatening.   |
| <b>Red</b>    | -18 and lower   | Sharp escalation of tensions. The conflict is virtually unavoidable. A pre-war situation.  |

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