

Soros Proposes to Give a Chance to Lukashenka

Cases on Extremism Collapse

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The Head of Presidential Office Promises to Take "Positive Steps" in the Media Market

The global financial crisis starts exerting gradually its negative influence on Belarus. Initially, the dangerous tendency was noticed by independent experts. Presently, its presence is cautiously admitted by governmental officials.

A number of Belarusian banks have suspended issuing credits for the indefinite period of time. The banking institutions that carry on issuing credits have increased considerably their rates, InfoBank.by on-line resource informs.

The national government is scared of mass panic and takes efforts in order to reinforce the insurance of bank deposits.

The conditions of bank deposits are becoming more and more attractive. Still, the increase of percent rates is lacking behind the inflation rise that may reach 14% in 2008, according to official estimates. (Independent economists forecast its rise to 20%.)

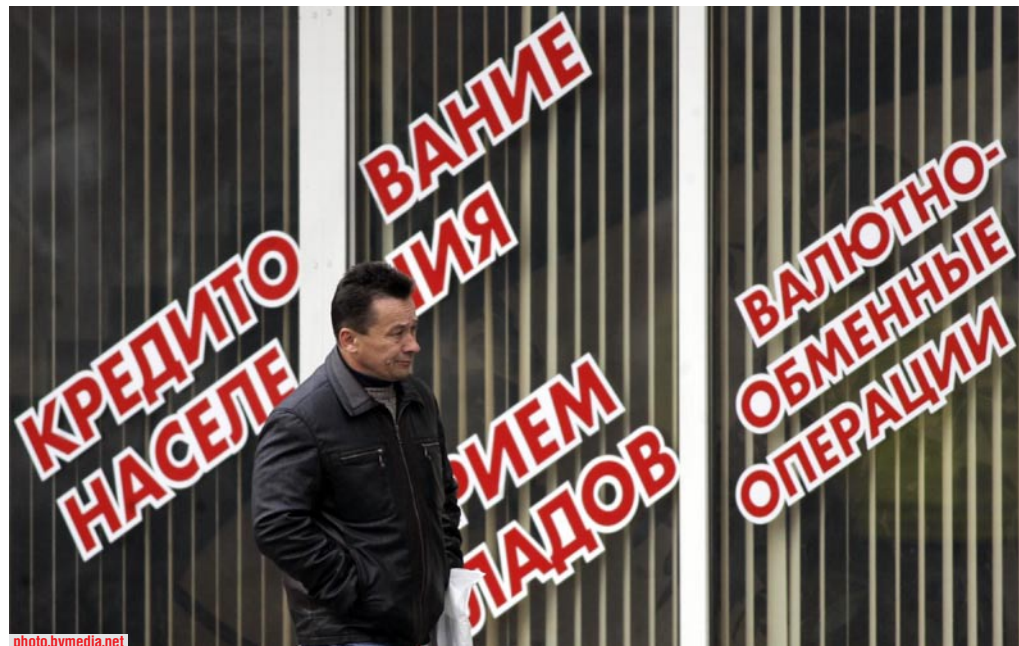
A Russian credit can support the Belarus' financial system in the present complicated conditions. The

Russian and Belarusian governmental representatives signed an agreement on providing Belarus with a USD 2 billion credit on November 13, 2008.

It is expected that the country will receive the first billion shortly. The second installment is planned to be transferred at the beginning of 2009.

Independent experts emphasize that the Kremlin has laid down a number of demands this time. Among other, in particular, it was stipulated that a plan of common actions on introducing a common currency would be adopted. Should the role of such currency be granted to the Russian ruble, it will definitely deprive Belarus of a part of its sovereignty.

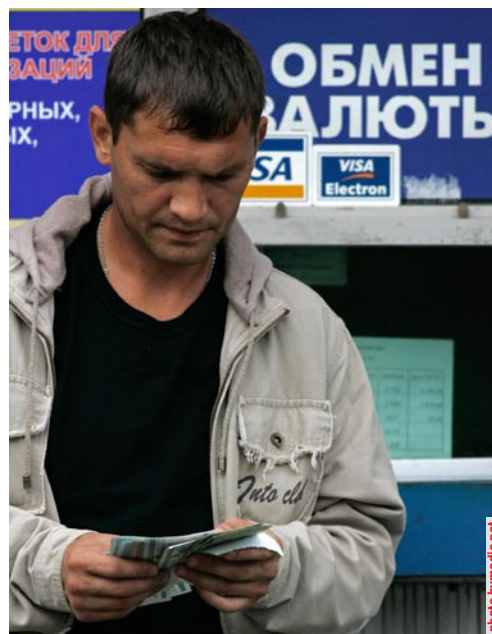
Simultaneously, the Belarusian government is holding negotiations with the International Monetary Fund on the possibility of getting another USD 2 billion credit. The IMF hasn't taken any decision on the matter yet. An independent economist Yaraslau Ramanchuk believes that the Belarusian government has quite high chances to receive the credit from the international financial institution. At the same time, a financial expert Stanislau Bahdankievich has noted



that cooperation with the IMF may foster market transformation of economy in Belarus.

Evaluating the possible negative impact of global financial crisis on the situation in Belarus in further perspective, Stanislau Bahdankievich noted in his interview to Radio Liberty as follows: “An avalanche crisis will avoid Belarus next half-year, as there is free money at the Ministry’s of Finance account; the budget surplus for nine months of 2008 has amounted to three trillions Belarusian rubles; Russia is giving a credit and the IMF may give another credit as well. Therefore, Belarus will not face collapse during the half-year to come. However, it is another issue that the Belarusian ruble will be devalued further on, as the balance of trade deficit is high. Such a deficit always leads to devaluation of national currencies. It is a fundamental law of Economic theory.”

Also, Leanid Zaika, an independent economist and the Head of “Strategy” Analytical Center concludes that devaluation of national currency will take place in Belarus. He emphasizes that it may be quite serious. It is absolutely possible that USD will cost 2,400 Belarusian rubles in 2009 and 3,000 Belarusian rubles in further perspective. (It cost Br 2,132 on November 13, 2008.) “Thus, the fall of salaries and other incomings in the



USD equivalent can be expected,” the expert notes.

At the same time, it should be mentioned that the gradual rise of salaries in the USD equivalent has been a propagandist fetish, used by the Belarusian authorities so far.

The decrease of financial and economic situation in the country makes the Belarusian government declare liberalization of economy and take pains in order to make the investment climate in the country more attractive.

The Belarusian government is interested in the increased influx of foreign investments and technologies. Therefore, it continues to demonstrate its willingness to normalize relations with the West.

Thus, the President Alaksandr Lukashenka expressed his interest in launching a dialogue with the United States in his interview to “The Wall Street Journal” on November 11, 2008. However, he is convinced that “everything depends on America. If America is interested in building relations with us without any additional barriers and prior conditions, we will seriously move forward in this respect.”

At the same time, the Chamber of Representatives at the National Assembly of Belarus has adopted the membership of delegations on cooperation with the OSCE PA as well as on keeping contacts with the PACE, the NATO PA, the Northern Council and other international organizations.

At that, Siarhei Matskievich, the Head of Committee on International Relations at the lower chamber of Belarusian Parliament has noted that “the European constituent is an important aspect of activity to be held by Belarusian Parliament.”

Also, he underscored that “there was held a policy line, directed to pragmatic



cooperation with the OSCE PA” and that “unfreezing of relations with the PACE was the most important objective for the close perspective.”

In order to move out the relations, it is firstly necessary to implement the minimum of demands, presented by Europe, independent experts believe. In particular, the Parliament’s authority has to be strengthened considerably.

A political analyst Alaksandr Klaskouski has noted in his interview to Deutsche Welle in this respect that “all that will more depend on the top governmental officials’ will, rather than on the Parliamentarians themselves.” In his opinion, “the top governmental authorities are not interested in creating a counterpoise in the form of the legislative branch of power.” Consequently, “they will tend to implement some minimal decorative steps in this direction only.”

Uladzimier Makiey, the Head of Presidential Office delivered a speech during the opening ceremony of the 11th “Miensk Forum” on November 13, 2008. (The annual event is traditionally arranged by the German official side.) It should be mentioned that the Belarusian governmental officials of this rank have never participated in the forum before.

“Belarus is contributing to the European security and it doesn’t

create any problems,” U. Makiey emphasized. “We are interested in developing cooperation with the European Union,” he added.

At the same time, the observers note that according to the top official’s statement, the Belarusian state authorities are eager to hold a dialogue with Europe on its own terms, i.e. they feel reluctant to make any significant concessions in the fields of democratization, human rights and civil liberties.

Thus, the Head of Presidential Office noted that Belarus “had been absolutely wrongly under the economic and political pressure” for a very long period of time and finally, the EU decision-makers understood that the policy “had been unjust and fruitless.” He added that the EU should avoid implanting the Western “version” of democracy in “the carbon copy manner”, as each nation has its traditions and mentality.

Experts conclude that the Belarusian officials are looking forward to “pragmatic cooperation”, i.e. getting financial and economic benefits from amelioration of relations with the West without holding any noticeable transformations of the present-day authoritarian political system of Belarus, apart from some decorative changes. Thus, it is quite possible that a range of non-state periodical

editions may be returned to the nation-wide press distribution system.

POLITICS

Soros Proposes to Give a Chance to Lukashenka

“Alaksandr Lukashenka has to be given an opportunity not only to demonstrate his willingness to change relations with Europe, but also to reconcile the domestic situation,” G. Soros, the Head of Open Society Institute believes.

The Maecenas presented the idea during his speech at the 13th Open Society Forum, held in Tallinn (Estonia) on November 6-7, 2008, the BelaPAN News Agency reports.

Also, G. Soros noted that the return of European Humanities University to Belarus would be positively evaluated as well, as the university students are eager to study in their own country.



OFFICIALLY

Cases on Extremism Collapse

Kastrychnitski City District Court of Hrodna left without legal consideration an appeal of the KGB (State Security Committee) Department on acknowledging a copy of Glos znad Niemna na uchodzstwie newspaper to be an extremist material, the Press Service of Belarusian Association of Journalists reports. Andrzej Pisalnik, a journalist from Hrodna has learnt about the decision from a letter by a judge Aliaksandr Sitsko.

The judge referred to a corresponding article of Civil Procedural Code that enabled him to leave the case, initiated by the KGB Department, without consideration.

According to “Viasna” Human Rights Center earlier the Kastrychnitski City District Court of Hrodna also had refused to initiate a case on admitting the “Review and Chronicle of Human Rights Violations in Belarus in 2004” book to be an extremist material.

OPPOSITION

The European Coalition Insists on Introducing Changes in the United Democratic Forces

The European Coalition insists on forming new cooperation within the UDF framework. Mikalay Statkievich, the Head of Belarusian Social-Democrat Party (Narodnaya Hramada) that participates in the European Coalition believes that the treaty on founding the United Democratic Forces has lost its topicality and has to be upgraded.



A conflict between the European Coalition and the UDF leaders has been taking place for a long period of time. The Coalition members think that they have been unfairly debarred from work in the UDF structures.

However, the UDF leaders respond that the political party, led by M. Statkievich, hasn’t shown any interest in running the UDF activities.

Therefore, the expressed criticism is groundless, in their opinion.

Mikalay Statkievich emphasized in his interview to the 'Belarusian Partisan' Web-site that the European Coalition supported real cooperation without pressure and confrontation within the United Democratic Forces.

ECONOMY

Prime Minister of Belarus Visits Latvia

The Prime-Minister of Belarus Siarhei Sidorski arrived in Riga on November 12, 2008. He had been invited to come by the Latvian governmental officials, the Belarusian Prime Minister's Press Service reports.

"Latvia will support Belarus on the issues, connected with improving relations with the European Union," the Prime-Minister of Latvia Ivars Godmanis emphasized in his welcome speech.

Siarhei Sidorski and his Latvian colleague Ivars Godmanis have taken part in the opening ceremony of "Belarus-EXPO 2008" national exhibition. It is planned to hold private talks and to sign a number of inter-governmental regulations. Also, it is suggested that a meeting with the

business circles of Belarus and Latvia during the stay.

The National Bank of Belarus Has Increased the Refinancing Rate

The refinancing rate in Belarus has been increased by 0.25%. Thus, the NB's annual interest rate has amounted to 11% since November 12, 2008.

The National Bank applies it for issuing credits to commercial banks. Consequently, it determines the rest of rates in the economy and influences the public attitude toward savings and investments.

Simultaneously, commercial bank rates will grow. It will help banks to save the investments from the loss of value and to increase their incoming flows. At the same time, the refinancing rate growth will result in the increase of credit costs.

SOCIETY

The Head of Presidential Office Promises to Take "Positive Steps" in the Media Market

During the opening ceremony of the 11th Miensk Forum on

November 13, 2008, Uladzimir Makey, the Head of Presidential Office noted certain "positive steps" would be taken in the Belarusian media market, the Press Service of Belarusian Association of Journalists reports with references to "Nasha Niva" and naviny.by.



photo.bymedia.net

Ul. Makey's welcome word was followed by a speech, delivered by the First Ambassador of Belarus in Germany Piatro Sadouski, "Nasha Niva" reports. Among other he addressed with a direct inquiry to Mr. Makey: "My question is as easy as ABC. When will be able to purchase "Narodnaya Vola" at news-stalls?" The inquiry was followed by a wave of applause in the conference hall.

"Makey became confused, took a pause and responded in Belarusian that "positive steps would obligatory come and that they would be related

to the situation in the media market as well, "Nasha Niva" reported.

Among other, Ul. Makey promised that "the Belarusian authorities would take concrete steps, directed to meeting the EU expectations during the "trial period" till April 2009."



EUROPEAN RADIO FOR BELARUS



There are various sites devoted to events in Belarus, which are, however, little known in Western Europe, and among people dealing with politics towards Belarus who do not understand the Russian or Belarusian languages.

The site belarus-live fills this gap. The site allows to order weekly reception of news in English, Polish, Belarusian, Russian.