

## **Russia lends Minsk \$2 bln**

On November 13 Russia and Belarus signed an agreement to grant Minsk a \$2 billion stabilization loan. One billion dollars has already been transferred to Belarus's National Bank, the second tranche is due to be sent in 2009. Interest rate of the 15-year loan was set at 3 percent over LIBOR (London Interbank Offered Rate).

At the same time, Belarus agreed to switch to rubles when trading in oil and gas, a step defined by the Russian side as pre-condition for granting the loan for Minsk. According to the Belarusian Finance Minister Andrei Kharkovets, this move "will be our [Belarusian] contribution to giving the ruble the status of a regional reserve currency." The agreement was followed by order of Belarusian Prime Minister Syarhei Sidorsky for the National Bank "to start taking measures to provide loans for shipments denominated in Russian rubles."

In the meantime Belarus hopes for other \$2 billion stabilization loan from the International Monetary Fund. Despite President Lukashenka's threat of quitting cooperation with the IMF if it does not provide the loan, the final agreement still has not been finalized. According to the IMF statement, "there is broad agreement on the policies to help Belarus. [...] However, more time is needed to refine the technical details of the policy options." The negotiations will resume in December. If agreed, it would be the first loan by IMF since 2004, when Belarusian authorities decided to withdraw from further talks on stabilization loans with the IMF.

In late 2007, Russia and Belarus signed an intergovernmental agreement to grant Minsk a \$1.5 billion stabilization loan for 15 years at LIBOR +0.75%. Belarus requested the loan from Moscow to pay for energy supplies delivered from Russia. According to balance-of-payments data for the January-September period of the current year, the share of the use of the Russian currency in settlements between the two countries had been about 56 percent of the entire amount bilateral trade turnover.

Sources: RIA Novosti, Reuters, Interfax, Trend Capital, Itar-Tass, Dow Jones, RT

## **Two Independent Newspapers returned into the Official Distribution**

Two leading independent newspapers of Belarus, Narodnaya Volya and Nasha Niva, are being officially distributed again, ideology adviser to the Belarusian president Vsevolod Yanchevsky said on November 19. They had not been sold through the Belsoyuzpechat network for the past few years and both newspapers had been published abroad.

The announcement may be a reaction to statement of the European Union to intensify dialogue with Belarus if Minsk moves to prove its real support for democratic values, including press freedom. "I can only assume that the Belarusian authorities have decided to press on with moves towards the European Union," Iosif Seredich, editor of Narodnaya Volya, said. The decision of the Belarusian authorities was welcomed by the Commissioner for External Relations and European Neighborhood Policy Benita Ferrero-Waldner.

Government restrictions on the use of state printing plants in 2004-2005 forced many opposition papers to print outside Belarus – some over the border in Russia, others in Lithuania.

Sources: Interfax, Javno, European Commission