



BULLETIN

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Prospects for EU Policy towards Belarus during the Presidency of Lithuania

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In recent times there has been an intensification of political and economic relations between Lithuania and Belarus. Because they are neighbours and have numerous political and economic links, Lithuania can be expected to want to use its presidency of the EU Council to resume a dialogue with the Belarusian authorities. This would be a great success for Lithuanian diplomacy, especially in the context of the Eastern Partnership summit planned for November this year. Poland should closely monitor the activities of the Lithuanian side and raise the issue of releasing political prisoners in Belarus as a condition for the resumption of talks with representatives of the regime.

Belarusian–Lithuanian Political Cooperation. Strong political, social and economic ties with Belarus mean that Lithuania, next to Latvia, is one of the most friendly with the Belarusian authorities amongst the EU countries. During the period of dialogue between Belarus and the European Union (2008–2010), Vilnius was one of two EU capitals that Belarus President Alexander Lukashenka visited using the temporary suspension of visa sanctions on him. This situation partly changed after the presidential elections in December 2010 when the EU introduced targeted sanctions against Belarus. Nevertheless, the Lithuanian authorities were initially against the introduction of sanctions on selected Belarusian companies and moved from this position only under pressure from other Member States.

Despite the suspension of dialogue between the EU and Belarus, in recent times an intensification of contact between Lithuanian and Belarusian authorities can be observed. On April 18, Belarusian Prime Minister Mikhail Myasnikovich (currently the highest-ranking Belarusian politician who is not covered by the EU visa sanctions) visited Klaipėda, and Lithuanian Prime Minister Algirdas Butkevičius plans to visit Belarus in June.

Belarusian authorities likely will want to use the increasing political contacts and the Lithuanian presidency as an opportunity to attempt to restart talks with the EU. This would be enhanced by Lithuanian diplomatic efforts, especially because an improvement of relations with the Belarusian authorities would be very important for Lithuania for both political and economic reasons. Lithuanians also have declared they are in favour of the participation of an official Belarusian delegation at the summit of the EaP countries scheduled for November this year. Although it is not known who would be the head of the delegation, the suggestion that it should be Prime Minister Mikhail Myasnikovich has started to be more and more widespread. Such a solution probably would be acceptable to the Belarusian authorities, who want to fully participate in the summit.

Also, President Lukashenka, who in recent months has criticised EU policy regarding his country, has said he has hope that the Lithuanian presidency would be a good period to re-start dialogue. The softening of anti-European rhetoric by the Belarusian president and the authorities' desire to improve relations with the EU are also associated with the growing economic problems of Belarus and its increasing dependency on Russia, its only creditor.

Economic System of Connected Vessels. The good economic relations between Lithuania and Belarus derive from Soviet times when the two economies were a coherent whole. Deprived of access to the sea, Belarus exported most of its outgoing goods (i.e., fuel, fertilisers) via Lithuanian ports. This relationship has remained, and in 2012 about 30% of the goods transferred through the port of Klaipėda were produced in Belarus. Although President Lukashenka threatened in November last year that Belarusian products would be redirected to Russian ports, in 2013 the country is expected to actually double the volume of goods transported through the port of Klaipėda (in 2012, 5.7 million

tonnes of potash, 800,000 tons of nitrogen fertilisers and 2.2 million tons of fuel oil and light oil products made in Belarus passed through that port).

This export flow should be expected to continue in the coming years, especially since on April 18 one of the largest Belarusian exporters, Belaruskali, which produces fertilisers, bought 30% of the shares of the dry goods terminal in Klaipeda for \$30 million. Moreover, Myasnikovich announced that another company, Grodno Azot, plans a similar transaction and will buy shares of the nitrogen fertiliser trans-shipment terminal in Klaipeda. Belarusian goods are particularly important not only for Lithuanian ports but also for the country's railroad (ABLG), since about 40% of freight carried by ABLG is from Belarus.

Despite the EU sanctions policy, trade between Lithuania and Belarus is growing. In the years 2004–2012, Lithuanian exports to Belarus increased fourfold, while Belarus-to-Lithuania trade tripled. For Belarus, Lithuania is its eighth trading partner—in 2012, total trade compared to 2011 increased by 6.4% to \$1.7 billion (of which about \$1.2 billion was Belarusian exports), which was the best results in their history.

At the same time, investments are of particular importance. One of the biggest investors in Belarus is the Vakaru Medienos groups managed by Sigitas Paulauskas. In April this year the company received a loan of €22 million from Russia's Sberbank for the implementation of the company's next project in Belarus, a wood processing plant. In addition, in the next year Lithuanian companies such as the Norfa network of shopping centres, Arvi kalakutai poultry establishments or the Vičiūnų fish processing company intend to expand their business in Belarus.

The Importance of Belarus to Lithuania. Already in 2012, Lithuania had declared its priorities for its presidency, indicating the Eastern Partnership would be one of the main activities, and it has recently stepped up preparations in this area. It can therefore be expected that the EU's Eastern policy will be a priority during the Lithuanian presidency. The EaP summit in November in Vilnius will have as one of its main points the signing of Association Agreements with countries of the region. The conclusion of these agreements and the resumption of dialogue with Belarus would be considered a success of Lithuanian diplomacy. Lithuania, in pursuing an eastern direction for EU activity, also aims to build durable relationships in its close neighbourhood. Although Lithuanian–Belarusian relations deteriorated in 2012, especially after the so called teddy bear drops over Minsk, Lithuanian authorities were not going to give up cooperation with Belarus. Lithuania has clearly declared its willingness to strengthen cooperation with its southern neighbour, including within the Eastern Partnership. Lithuania is particularly keen on Belarus becoming more involved in regional EaP initiatives, including the development of trade and liberalisation of border crossings and movement. For Lithuania, projects in energy, environment and transportation, such as the expansion of the North-South transport corridor connecting the Baltic Sea to the Black Sea will also be a priority.

Conclusions and Recommendations for the EU and Poland. Because of the importance of relations with Belarus, Lithuania will make every effort to ensure that a Belarusian delegation led by the country's prime minister will take part in the November EaP summit in Vilnius. Lithuanian diplomacy will therefore want to avoid a situation like the one at the summit in Warsaw when the ambassador of Belarus to Poland, representing his country's delegation, was not invited to a gala dinner as he was lower than the level of heads of state and government, and left the meeting.

Given their country's current economic situation, Belarusian authorities will be anxious to break down the Belarus' isolation in the European arena. Therefore, Lithuania's can contribute to the start of talks intended to lead to the release of political prisoners in Belarus, which could become a basis for a dialogue with the regime. Irrespective of that, Poland should strive to maintain the common position of the EU on Belarus, in particular in terms of the condition of the release of political prisoners before talks begin with Belarusian authorities. However, the abandonment of the condition for the rehabilitation of these persons after their release—as a second, necessary premise for the resumption of dialogue—can be considered.

In the common interest of Poland and Lithuania are agreements on small border traffic, which both countries signed with Belarus in 2010. Diplomats of both countries should therefore increase their joint efforts to implement these agreements with Belarus. The two countries should also make efforts to increase the number of Member State consulates, which would speed up procedures for issuing visas to Belarusians. Poland and Lithuania are also jointly proposing that Belarusian authorities implement trilateral projects within the EaP in areas such as energy security, border protection, and improvements in the quality of transport infrastructure. In addition, Poland and Lithuania should continue to support Belarusian civil society, taking part in joint assistance programmes especially in such fields as support for independent media, culture and education.