



Belarus' FOREIGN POLICY INDEX

№ 33 July–August 2016

Dear readers,

We are glad to present the thirty-third issue of Belarus Foreign Policy Index, the survey, in which we explore Belarus's foreign policy in five dimensions in July–August 2016.

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The relationship between Belarus and **Russia** evolved in a tight framework. The tone for bilateral contacts was set by the emergency at the construction site of the nuclear power plant in Astraviec, as well as arduous oil and gas negotiations. These circumstances stand behind the drop in the index (from 21 to 6 points). This notwithstanding, Belarus appears to have been making progress in its endeavor to restore the volume of its export to Russia and is actively engaged in rulemaking processes within the framework of the EEU.

The Belarusian parliamentary election campaign temporarily became the main driver for the relations with the **European Union**. Minsk has been increasingly active in promoting the idea of the need for commencing negotiations of a new framework agreement with the European Union.

Preparations of Aliaksandr Lukashenka's visit to **China** dominated the agenda for the Belarus–China relationship. The visit is expected to build on the meeting between the Belarusian leader and President of China Xi Jinping, which took place in June as part of the SCO Summit. Belarus is still interested in taking Chinese loans, giving a boost to the China–Belarus Industrial Park (CBIP), and promoting military and technical cooperation.

A substantial noticeable slump was observed in Belarus's contacts with **developing countries**. It should be attributed to the fact that during that period, Belarusian diplomacy emphasized efforts to improve the country's relations with the EU, U.S., and Belarus's neighbors. During the two months under analysis, Belarus's foreign policy in the "developing world" dimension was focused on the Middle East and South Asia. The Belarusian government made certain progress in increasing export supplies to developing countries, specifically in promoting its mechanical engineering products.

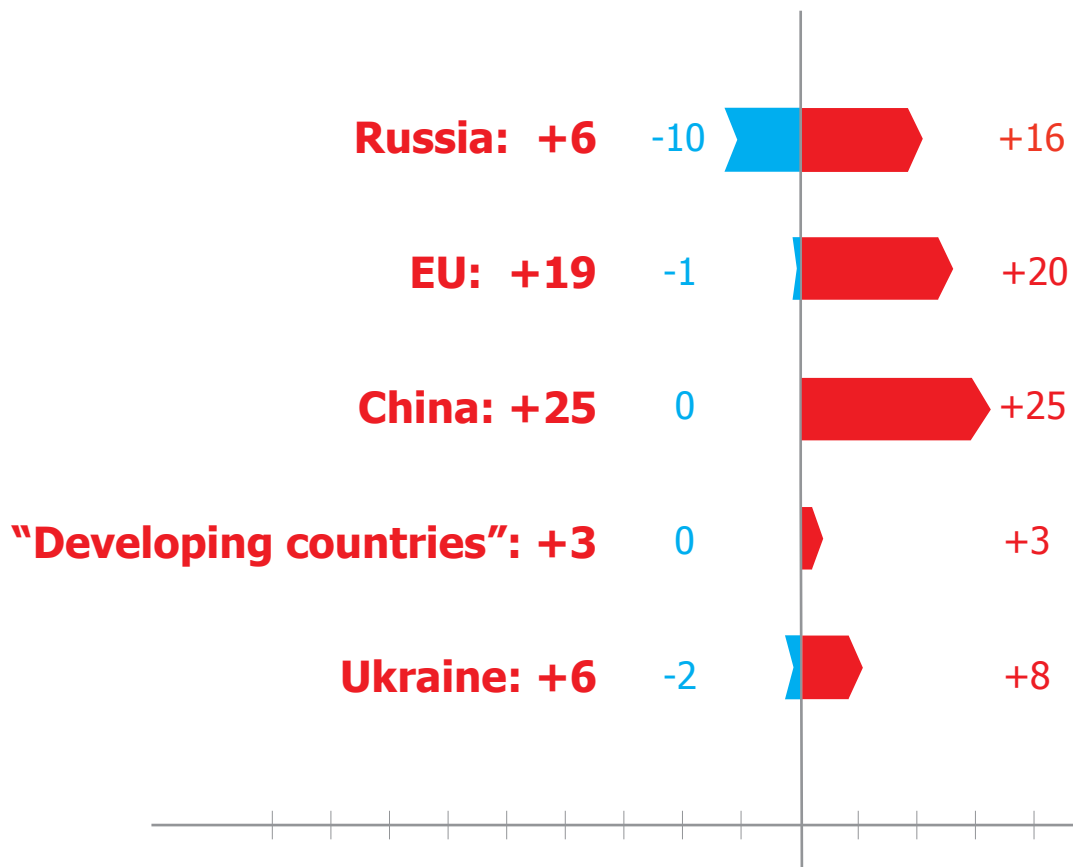
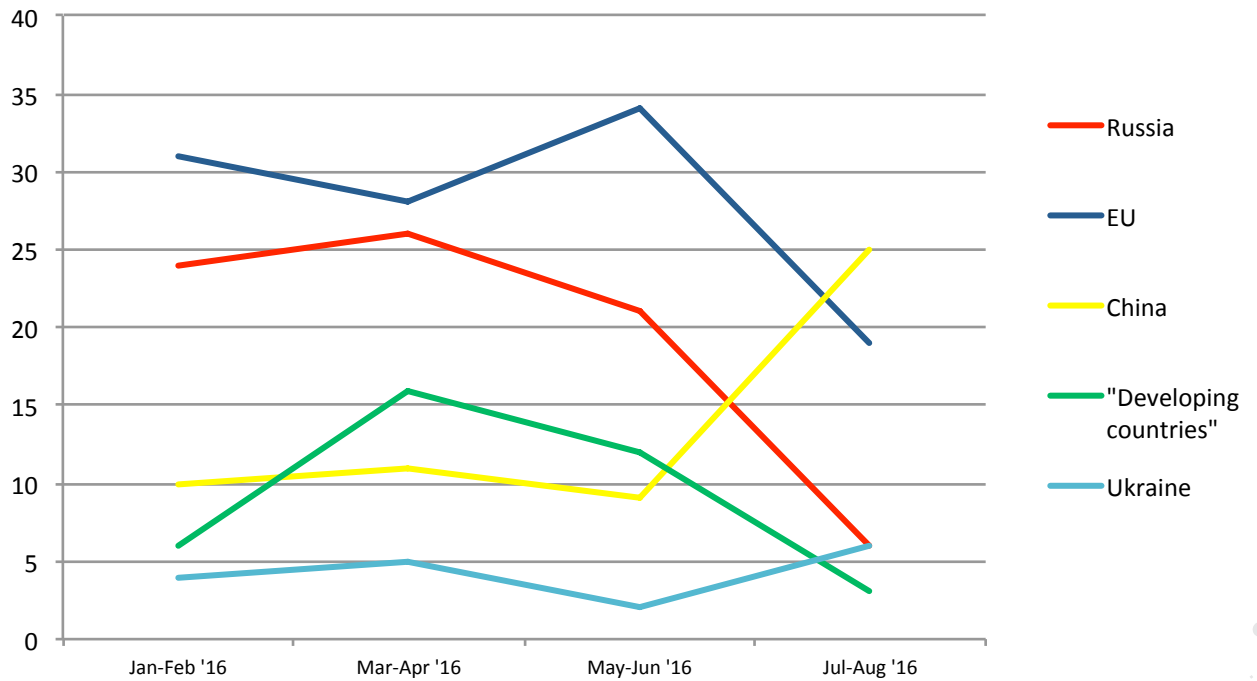
Ukraine was only mentioned by the Belarusian administration sporadically, albeit two-way trade relations continued developing at a rapid pace. Ukrainian, Belarusian, and Russian media were publishing increasing numbers of reports regarding the military cooperation between Ukraine and Belarus.

Dzianis Melyantsou

Editor

Belarus Foreign Policy Index

Relations development indices:



Development of the Belarus–Russia relationship

+16



-10



Summary index: +6

Total positive points: +16

Total negative points: -10

Main trends

The relationship between Belarus and Russia evolved in a challenging framework. The tone for bilateral contacts was set by the emergency at the construction site of the Belarusian Nuclear Power Plant in Astraviec, as well as the oil and gas issues. Contacts were minimized during the two months under review.

The gas issue was never resolved; however, it progressed in the direction that we had forecast in our previous issue.

This notwithstanding, Belarus appears to be making progress in its endeavor to restore the amount of its export to Russia and is actively engaged in rulemaking processes within the framework of the EEU.

Description of the key events

On 10 July, the reactor vessel was damaged during the construction of the Belarusian Nuclear Power Plant in Astraviec. On 25 July, activist of the United Civil Party (UCP) Mikalaj Ulasievič shared the news about the accident in social networks. Atomstroyexport denied the rumors of the accident; the Belarusian Energy Ministry made a statement about a “contingency event” and requested respective information from the general contractor. On 1 August, both the Russian and Belarusian sides confirmed the collapse of the reactor vessel. On 12 August, Rosatom said it would replace the reactor vessel for the Belarusian Nuclear Power Plant, which, according to experts, might postpone the launch of the plant for up to two years.

The Belarusian authorities sought to hide behind the back of the “senior partner,” citing the lack of knowledge of the situation, although Belarus controls the construction process and has comprehensive information about everything that happens at the site. On 4 August, President Lukashenka said he had been aware of the accident the following morning, that he personally monitored the construction progress, and that the reactor vessel would be replaced if the Belarusian side had even the slightest suspicions. Nevertheless, the attempt to cover up the emergency during the construction of the nuclear power facility affected the reputation of the future plant and the country as a whole.

When it comes to the price of natural gas, judging by the statements made by people associated with the negotiations in Russia and Belarus, the two countries are close to reaching compromise.

A recap: because of the drop in oil prices, official Minsk demanded that the natural gas price be reduced to USD 73 from USD 132 per 1,000 cubic meters starting late 2015. Beginning from 1 January 2016, Belarusian companies were paying the new price for natural gas, which resulted in a debt of USD 270 million, according to calculations made by the Energy Ministry of Russia. The administration of Gazprom transgaz Belarus filed a lawsuit with the International Court of Arbitration seeking to recover the debt.

The Belarusian side has trenchant arguments in the natural gas dispute. In 2016, Gazprom had to revise its fees for Germany's Uniper (E.ON) and France's Engie; in 2017, it will have to deal with lawsuits filed by Poland's PGNiG and Turkey's Botas. Furthermore, Shell insists on Gazprom's cutting the gas price, and so do the national companies of the Netherlands and Denmark. They have similar reasons to demand a price cut: natural gas has more alternatives (renewable energy sources, coal, nuclear power) than crude oil; therefore, the discount applied to the oil component of the price formula should be higher; Russia has more competitors — Nigeria, Qatar, the U.S.; the natural gas price should be flexible — maybe not as flexible as the oil price, but increasingly pegged to the spot component.

Furthermore, consumption of natural gas, including that supplied by Russian traders, continues to increase in the EU, and the share of natural gas has reached 30% of European energy consumption. The average price for Europe fell by 32.4% in the first half of the year, to reach USD 182.2 per 1,000 cubic meters, down from USD 269.5. In the CIS, Gazprom's fees dropped by 9% in the second quarter of 2016, and sales shrank by 22%.

In other words, Gazprom has to offer price discounts to its consumers everywhere — amid the drop in oil prices and increase in alternative offerings, the more so because the equal-profit pricing principle is stipulated in the agreement with Belarus. Gazprom will lose approximately USD 500 million if the gas price for Minsk drops to USD 100 per 1,000 cubic meters; however, the lost profits are calculated by Russian experts without regard to the downward trend of gas prices in the EU — as if prices for Minsk could remain unchanged amid any price reductions in the EU, Russia, and elsewhere in the world. Most probably, Gazprom is ready in principle to make concessions.

At the same time, the negotiations appear to be very hard. As far as one can judge, progress is blocked by Deputy Prime Minister of Russia Arkady Dvorkovich, since Gazprom CEO Alexey Miller used to say — as we mentioned earlier — that Belarus had no debt to Russia for natural gas, but Belarusian consumers had debts to Gazprom's Belarus-based subsidiaries. Miller does not believe the debt to be the decisive factor that determines the outcomes of the negotiations. However, Dvorkovich has a contrasting opinion. It was Dvorkovich that included oil in the package that is being negotiated, and it was Dvorkovich that said that the volume of crude supplies would not be restored until Belarus paid up for natural gas.

The two issues — natural gas and crude oil — had never been mixed before in Belarus's negotiations with Russia. First, because the cooperation between the two countries in these two domains is regulated by different agreements; second, because even in Russia, the oil and gas sectors have no close connections, and their dependence on the Kremlin varies — the natural gas sector relies much more on the incumbents.

Nevertheless, starting on 1 July, crude supplies from Russia were cut by 37%, and some unnamed high-ranking official in the Russian energy sector told Reuters that the reduction in supplies was designed as a punishment for Belarus's convergence with the West and criticism of Russia. This is hardly true, though. Belarus may lose an estimated USD 200 million as a result of the reduction in crude deliveries in the third quarter alone, according to experts.

The Belarusian authorities, contrary to the normal practice, did not promote greater media coverage of the dispute. The absence of a public response must be connected with the fact that Russia refrains from any drastic measures as well, unlike previously in similar situations (for example, in 2007). Both Belarus and Russia are well aware of the limitations of their capacity in disputes over supplies and transit of Russian energy.

We believe the involvement of Transneft in the natural gas conflict looks very odd and alarming. Transneft reports that the supplies originally meant for the Belarusian oil refineries amounting to 1.2 million tons had been redirected to Ust-Luga and Primorsk, i.e. via BPS-1 and BPS-2, and 1.05 million tons were transited via Druzhba (the move led to

a reduction in supplies to Belarus by a total of 2.25 million tons). According to reports from Primorsk, oil shipments via Primorsk did not increase during the first seven months of the year, whereas Ust-Luga's freight turnover (BPS-2) markedly increased.

Transneft became involved in the dispute for several possible motives of its own: isolation of supplies of high-sulfur crude oil and their transit via Ust-Luga (Transneft's ambitious project that oil producers are trying to oppose, and which, upon its implementation, will seriously reduce the company's operating costs), and increase in oil processing in Russia and, consequently, higher volumes of transshipments via both ports, but especially via Ust-Luga. Because there are not enough export volumes of oil in all directions, Transneft might have chosen to make use of the lobbying by Deputy Prime Minister Dvorkovich to redirect crude supplies from the Belarusian corridor towards the Baltic Sea and isolate high-sulfur crude into a new blend with its own transportation route. One should not rule out the argument mentioned by Transneft CEO Nikolay Tokarev that the move would make up for the shortfall in Transneft's revenue caused by short supplies of Belarusian-refined gasoline to the Russian market. If these assumptions are true, then anonymous references to Minsk's westward ambition become totally understandable — they are designed to encourage Russian oilers to suffer losses on the pretext of the "protection of Fatherland."

It looks like Belarusian gas negotiators would find it a lot easier to make progress if Transneft's true agenda were clearer — the motives that make the company interfere in the gas conflict. Anyway, since the BPS project was launched, there has been a threat that the Belarusian corridor could run dry, and the most recent oil accord contains a special provision regulating this matter.

The engagement within the framework of the EEU was relatively seamless. The period under analysis was characterized by the preparation of the EEU Customs Code and standards of the common market for medications. Interstate approval procedures for the EEU Customs Code should be completed by 20 September. The Belarusian side has voiced its criticism of the Customs Code and regulatory instruments for the medications market.

According to the draft new version of the procedure for the development of technical regulations of the EEU, representatives of business communities are included in workgroups that develop technical regulations for specific industries alongside representatives of technical committees on standardization and industry. This positive adjustment implies certain risks for Belarus: because its business community is still immature, compared to that in Russia (especially when it comes to specific industries), it will have little influence on decision-making at the state level.

The food embargo has been extended until the end of 2017, which gives Belarus a certain chance to be involved in import substitution. The Ministry of Agriculture and Food has been working proactively with Rosselkhozadzor. Limitations on food supplies are sporadic and temporary, and in most cases, it is Belarus that imposes them in response to criticism in order to rectify faults.

In two-way trade, Belarusian export was recovering faster than supplies from Russia did in January–July 2016. Trade between the two countries amounted to USD 14.34 billion in the first seven months of 2016, down by 10.7% from January–July 2015, export reached USD 5.8 billion, a decrease by 4.4%, while import dropped by 14.5% to USD 8.6 billion. In value terms, few commodities reached last year's figures, whereas in volume terms, all of them exceeded the level reported in 2015 — for example, suppliers of loading machines went up by 127% year-on-year in volume terms, while in value terms, deliveries decreased by 1%. The balance of Belarus's trade with Russia remained markedly negative.

Forecast for the near term

In September, Belarus and Russia will likely agree on the amount of Belarus's gas debt subject to payments in installments and then approve a reduction in gas fees and a peg of prices to the Russian ruble.

The trend for Belarusian export to recover faster than Russian supplies to Belarus will apparently remain in the two months to come. However, the recovery rate will get slower for export from Belarus, whereas the price environment for Belarusian-made goods will not become favorable, despite rare instances of inclusion in government contracts.

The months of July and August saw the beginning of two long-term conflict issues for Minsk and Moscow. They are crude oil supplies and the construction of the nuclear power plant. The latter may thwart Minsk's attempts to build its image of the donor of stability and security in the region — due to failures and misunderstanding that will inevitably befall such a large-scale project — unless the Belarusian authorities take measures to seriously improve the transparency of the construction process.

The plans to promote Ust-Luga and boost crude and refined oil transit via the Russian ports on the Baltic Sea, as well as to ensure growth in oil processing in the Russian Federation pose a long-term threat to Belarusian oil processing and transit. The Baltic States have notably lost most of Russia's transit, and as their experience shows, neither dumping and infrastructure development, nor disputes helped them restore it.

Development of the Belarus–EU relationship

+20



-1

Summary index: +19

Total positive points: +20

Total negative points: -1

Main trends

July and August turned out to be markedly less active and eventful for the relationship between Belarus and the EU, compared with the two previous months, mostly due to summer vacations.

The Belarusian parliamentary election campaign temporarily dominated the agenda for the Belarus–EU relations.

Minsk became increasingly active in promoting the idea of the need for negotiating a new framework agreement with the European Union.

Description of the key events

The months of July and August are traditionally the least eventful period for Belarus's foreign policy. However, this year, these two months saw a series of important visits, which took place against the backdrop of the campaign to elect members of the lower house of the Belarusian parliament.

Any election campaign that is held in Belarus becomes a factor in the development of relations with the West as a whole and especially with the European Union. The new election campaign was particularly important, as it was the final major internal political campaign to take place by 2020, when both the presidential and parliamentary elections are scheduled to take place. In other words, the parliamentary campaign of 2016 was expected to set the medium term framework for the relations between Belarus and the EU. For example, if Brussels recognizes the official outcomes of the elections (even with no official statement, but judging by its mere attitude and work process), the bilateral framework might include the inter-parliamentary component that has so far been missing — Belarusian MPs would be enabled to join the work of the Euronest Parliamentary Assembly.

This motivates the Belarusian authorities to show at least partial progress in the work to improve the conditions and environment for the elections. Just as back at the presidential election of 2015, they invited numerous international observers, including those representing the OSCE ODIHR, PACE, and the OSCE PA. Fifty long-term and 400 short-term observers represented the OSCE ODIHR alone this year. However, of the 30 recommendations to ultimately improve the election legislation and practice of the conduct of elections that the OSCE ODIHR made based upon its monitoring of the presidential campaign, only a few have been implemented. Therefore, the final report by the mission of the ODIHR and the OSCE PA may well be expected to be to a great extent critical.

Beyond the election campaign, the working visit of Foreign Minister Uladzimir Makiej to Riga on 6–7 July was arguably the most significant event of the period under review. The large number of meetings that Makiej had with the Latvian leadership and heads of some ministries was quite remarkable: he met with President Raimonds Vējonis, Prime

Minister Māris Kučinskis, Foreign Minister Edgars Rinkēvičs, Deputy Prime Minister and Minister for Economics Arvils Ašeradens, and Minister of Transport Uldis Augulis. The Belarusian foreign minister also visited the opening of the exhibition of the Belarusian artist Léon Bakst and state reception on the occasion of Day of Independence of the Republic of Belarus. As can be seen from the list of meetings, Makiej held a series of negotiations of a broad range of issues on both the bilateral agenda and within the framework of the Belarus–EU relationship. Possible development scenarios for Ukraine were discussed as well, along with possibilities for involving Belarus in inter-regional engagement projects, including in the 16+1 format, which includes Central and Eastern Europe, the Balkan region, and China.

Makiej emphasized the open and comprehensive nature of the visit at the concluding press conference and even said “I have not had such negotiations with any other partners of ours in a long time.” When commenting on the current status of the relationship between Belarus and the EU, Makiej said: “There are some steps that both sides can and must take in order for the relations between Belarus and the European Union to normalize. We are actively working for these steps to become a reality. And we are satisfied with the positive progress in the promotion of our relations with the European Union.”¹

Both ministers voiced the need for commencing talks over the conclusion of a framework agreement between Belarus and the EU. According to Makiej, the agreements between the EU and Kazakhstan and between the EU and Armenia could be used as models; however, there should be differences to capture the specific nature of the engagement between Minsk and Brussels.

During the two months under review an important storyline was formed by Belarus’s relationship with another neighboring EU member state — Lithuania. Public disputes are still underway over the construction of the Belarusian Nuclear Power Plant in Astraviec on the border with Lithuania.

First of all, it is Vilnius that brings differences on the matter to the public level, especially following reports in Lithuanian and Belarusian media about accidents and emergencies at the construction side. As he received the new ambassador of Lithuania, Andrius Pulokas, Minister Makiej said he hoped “*the emotional attitude of the Lithuanian side that has recently been observed in discussions of the project of the construction of the Belarusian Nuclear Power Plant will settle down.*” In his words, “*the Belarusian side would welcome constructive Belarusian–Lithuanian cooperation on this issue, which would be in keeping with the spirit of good neighborly relations and would not affect other areas of bilateral collaboration.*”²

Notably, before his departure, former ambassador of Lithuania Evaldas Ignatavičius was invited to meet with President Lukashenka. Despite the fact that the president has recently met with a number of outgoing foreign diplomats, this practice remains uncommon. As Lukashenka put it, he only meets with those ambassadors who have made a considerable contribution to the development of the bilateral relationship. Given the difficulties and contradictions between Minsk and Vilnius, the meeting clearly stands out.

Also important during the period under review were the three foreign visits of Deputy Foreign Minister Aliena Kupčyna, who supervises Belarus’s relations with the EU. On 11–12 July, together with Deputy Economy Minister Iryna Kascievič she participated in the 7th round of informal ministerial dialogues of the Eastern Partnership in Kyiv. The event focused on further development of the initiative, including its multilateral format, as well as regional security. In her speech, Kupčyna emphasized the importance of a more pronounced differentiation within the EaP and ways to improve its effectiveness

1. Verbatim report of the press availability of Foreign Minister of the Republic of Belarus Uladzimir Makiej following his talks with Minister of Foreign Affairs of Latvia Edgars Rinkēvičs (7 July 2016, Riga) - <http://mfa.gov.by/press/smi/fab87d7ace888ff9.html> (in Russian)

2. Minister of Foreign Affairs of Belarus V. Makei meets the Ambassador of Lithuania A. Pulokas <http://lithuania.mfa.gov.by/en/embassy/news/baceeb11b2922bb1.html>

through the implementation of specific projects, as well as the significance of building up dialogue and engagement between the EU and the EEU.

On 19–21 July, a Belarusian delegation led by Kupčyna visited Poland, where she met with Foreign Minister Witold Waszczykowski and participated in political consultations. According to the press service of the Belarusian Foreign Ministry, in addition to the bilateral agenda, the meeting focused on Belarus's relations with the EU in the context of the Polish presidency in the Visegrad Group. As part of the consultations between the Foreign Ministries, Belarus and Poland signed an agreement on cooperation in education.

On 27–30 August, a delegation of the Foreign Ministry of Belarus led by Kupčyna took part in the Political Symposium of the European Forum in Alpbach (Austria) at the invitation of Austrian Foreign Minister Sebastian Kurz. The Belarusian diplomat delivered a speech at the plenary session of the forum and held bilateral and multilateral meetings with the foreign ministers of Austria and Slovakia, as well as representatives of European institutions.

Two-way trade between Belarus and the EU member states amounted to USD 6.705 billion in January–July 2016, down by 23.5% year-on-year. Belarusian export reached USD 3.682 billion, which represents a reduction by 31.9% from the first seven months of 2015, whereas import from the EU totaled USD 3.024 billion, down by 9.9% year-on-year. Belarus reported a USD 658 million surplus of the balance of its trade with the EU.

Forecast for the near term

The evaluation of the Belarusian parliamentary elections by the OSCE ODIHR will most likely look like the reports drawn up following the presidential campaign of 2015: the elections fell short of democratic standards by many key criteria, but certain positive shifts were observed, while the atmosphere of the elections was calm. This wording would allow the relationship between Belarus and the EU to continue developing in a consistent manner.

If things go this way, two landmark topics will soon appear on the bilateral agenda: visa facilitation arrangements (the more so because Belarus is working on legislation to introduce visa-free entry for foreign citizens, including from across the EU, who stay in Belarus for up to five days) and prospects of negotiations of the framework agreement. Consistent intensification and diversification of relations with neighboring EU member states, specifically with Poland and Latvia, will likely continue.

Furthermore, new topics for further dialogue between Minsk and Brussels may emerge, especially given the provisions of the recently adopted EU Global Strategy, which has replaced the European Security Strategy (ESS) of 2003 and focuses on the promotion of the resilience of the EU's neighbors to various internal and external challenges.

Development of the Belarus–China relationship

+25



0

Summary index: +25

Total positive points: +25

Total negative points: 0

Main trends

In July and August 2016, the Belarus–China agenda was dominated by preparations of Aliaksandr Lukashenka's visit to that country, scheduled to take place in September. The visit is expected to build on the meeting between the Belarusian leader and President of China Xi Jinping, which took place in June as part of the SCO Summit in Tashkent.

Otherwise, the agenda remains traditional for the Belarusian side: discussions of possibilities for attracting additional Chinese loans, potash supplies, ways to step up the operation of the China–Belarus Industrial Park (CBIP), and promotion of military and technical cooperation.

Description of the key events

The months of July and August 2016 became a period of new hopes for the Belarusian administration to strengthen its cooperation with China. Those hopes were supported by the new agreements between Belarusbank and the China Development Bank (CDB) on a USD 1.4 billion loan to build a potash factory. Furthermore, official Minsk was additionally inspired by the meeting between Aliaksandr Lukashenka and Xi Jinping in the course of the SCO Summit in Tashkent in June.

An important signal indicating that the Belarusian authorities became increasingly reliant on China was the appointment of a new ambassador to that country — on 12 July, Kiryl Rudy, formerly presidential aide with respect to economic issues, became Belarus's new ambassador. Previously, Rudy worked at the Belarusian Embassy in Beijing, and he is reported to have contacts in certain Belarusian companies, including Bel Huawei Technologies LLC. Presumably, for the Belarusian authorities and personally for President Lukashenka, Rudy's expertise, experience, and personal connections are much more in demand in China than at the Presidential Administration.

Lukashenka's meeting with CITIC Group President Wang Jiong on 20 July became the second significant event in the period under analysis. CITIC Group is one of the world's top 100 construction companies. In Belarus, the company was involved in the modernization of three cement-making factories (they are all chronic loss-makers now), as well as the Orša flax factory. The company continues building the Geely automotive factory in Belarus and has recently started building a large hotel facility in the community of Viasnianka in Minsk.

CITIC Group's activities in Belarus are essentially reduced to the disbursement of Chinese tied loans, rather than new investments by the corporation. The construction of the Geely factory can be considered an exception to this rule: Geely is using its own funds, while CITIC acts as the contractor. However, even in this case, CITIC Group provides no investments of its own.

Wang Jiong's visit was organized in big style and accompanied by ambitious declarations by certain representatives of the Belarusian establishment. Specifically, Director for Innovation and Investment at Amkodor Holding Ihar Kajuda said there were joint plans with CITIC Group, including the construction of a factory to manufacture loaders and high-power high-performance tractors in Kalodzišćy, a tractor-making facility in Navapolack, and a joint cattle-breeding and dairy holding in the Mahilioŭ Region.

The economic impact of these projects seems quite doubtful. It is hard to imagine an investor willing to invest its own funds in the construction of tractor factories in Belarus, given the fact that the export of Belarusian-made tractors halved in 2011–2015.

The only project that seems more or less economically feasible is the joint cattle-breeding and dairy holding, because China has repeatedly showed its interest in purchasing Belarusian-made food. However, there is no detailed information about the prospective holding. It appears that the main challenge is the low potential value of foods that Belarus could supply to China — anyway, it is quite far from the figures that the Belarusian administration would like to see.

The visit of Wang Jiong coincided with the ceremony of the commencement of the construction of a major hotel complex in the community of Viasnianka in Minsk. The declared volume of financing is USD 120 million; the project will be using China's tied loans.

The meeting with one of the chief executives of CITIC Group will naturally be used by President Lukashenko during his upcoming meeting with his Chinese counterpart Xi Jinping in order to show him that Belarus has prepared new offers to disburse the funds available within the framework of the Chinese credit line for Belarus. Minsk also hopes that CITIC Group itself will contribute to the lobbying of Belarus's interests in the country's endeavor to access additional tied loans from China.

Specifically, the Belarusian authorities have become increasingly interested in the CBIP project. The construction process, and, most importantly, the appearance of real residents of the Park — not declarations — has been excessively delayed. So far, the Belarusian officials responsible for the projects have been the ones to blame — in May 2016, Andrej Hal was dismissed from the position of the Head of the Administration of the CBIP. On 1 July 2016, chiefs of respective state authorities and institutions were made personally responsible for the timely completion of operations envisaged by the CBIP development plan and unconditional compliance with the approved construction period for its facilities. On 15 July, Deputy Prime Minister Anatol Kalinin met with Hu Zheng, China Merchants Group General Representative in Central Asia and the Baltic Region and Executive Director at the Industrial Park Development Company, and demanded that the implementation of the project should be stepped up.

On 4 August, Hu Zheng claimed that measure were being taken to accelerate the development of infrastructure facilities for the CBIP starting area. In his opinion, the construction of all of the infrastructure units for the first phase of the CBIP project will be completed by the end of September. However, two weeks later, on 19 August, Hu Zheng put the blame for challenges that the CBIP project has encountered so far on the overall unfavorable environment in the global economy, conduct of the administration of the Park, as well as insufficient preferences offered to potential investors.

That was not the first complaint of Chinese business that the unprecedented benefits offered by the Belarusian side were still not enough for the CBIP residents. The problem is that the Belarusian administration, which is desperate for money, prefers making concessions whenever the Chinese side voices new requirements. The nature of this relationship is reflected in the recent reshuffle in the CBIP administration and the way the collaboration between Belarus and CITIC Group is built. A likely scenario envisages further preferences for Chinese companies that are formally registered in the CBIP. There will be no operating manufacturing projects there any time soon, for sure.

In addition to the urgent need to take new loans, even tied loans from China, the Belarusian administration puts a high value on the engagement with China in the exchange of security and control solutions. During the two months under review, two meetings were held between representatives of the Belarusian administration and Meng Jianzhu, Secretary of the Central Political and Legal Affairs Commission of the Communist Party of China, who supervises security services and internal security. Unfortunately, no detailed information can be found in open sources regarding such a close cooperation between the security services of the two countries. Presumably, the meetings addressed the operation of the Belarusian satellite, cooperation in rocket and missile engineering, as well as the Ukrainian issues in the context of the upcoming G20 summit.

Forecast for the near term

Belarus will stage a major campaign to ensure detailed coverage of Lukashenka's visit to China. Even compared with the previous reporting period — May and June 2016 — the media have become increasingly active in covering the relationship between Belarus and China, meetings of various commissions, etc. However, there are no palpable results of this cooperation.

One should not expect Lukashenka's visit and meeting with Xi Jinping to cause any breakthrough, although some contracts will definitely be signed. The previous visit in September 2015 had limited success, despite the broad media coverage.³ It appears that China will emphasize the potash issue. It is highly likely that the loan amounting to USD 1.4 billion and the contract for supplies of potash fertilizers envisage some implicit additional conditionality, which in all appearances will make up the substance of the upcoming visit.

3. Belarus Foreign Policy Index No. 28 (September–October 2015) - http://belinstitute.eu/sites/biss.newmedia-host.info/files/attached-files/BISS_FPI28_2015en.pdf

Developments in Belarus's relations with the 'Developing countries'

(Asia, Africa and Latin America)

Summary index: +3

Total positive points: +3

Total negative points: 0

+3

0

Main trends

In July and August, a significant slump was observed in Belarus's relationships with the developing world. It should be attributed to the fact that Belarusian diplomacy focused increasingly on improving the country's relations with the European Union, the United States, and Belarus's immediate neighbors.

During the two months under review, Belarusian foreign policy in the developing world was focused on the Middle East and South Asia. Contacts with Pakistan can also be associated with Belarus's work in the Middle East (due to the probable involvement of third countries, especially Saudi Arabia, in certain joint projects between Belarus and Pakistan).

The Belarusian government made some progress in increasing the country's export to developing countries, especially when it comes to the promotion of mechanical engineering products. The National Program for the Support and Development of Export for 2016–2020, adopted in early August, aims at raising the share of the "remote arc" countries (i.e. the developing world) to one-third of Belarus's total export supplies.

Description of the key events

Middle East

Iran. On 13–15 July, Mohammad Farhadi, Iranian Minister of Science, Research and Technology, visited Belarus. He participated in the 6th meeting of the Belarusian–Iranian commission for cooperation in higher education, science, and technology. Four memoranda of understanding were signed regarding cooperation in education, science, and technology. According to official reports, priority areas for 2017–2018 include energy, microelectronics, and information technologies, nanotechnologies, biotechnologies, and medicine, pharmacology, agricultural technology, and optoelectronics, new materials, unmanned aircraft systems, polymeric and composite materials, processing solutions for mineral resources, technologies and materials for the construction sector, remote sensing of the Earth, etc. The rather big 10-strong delegation led by the minister visited the State Committee on Science and Technology of Belarus, the Ministry of Education, the National Academy of Sciences, Belarusian State Technological University, Belarusian State University, and some other institutions.

At the same time, on 1 August 2016, Iran said it would no longer accredit Belarusian certificates of higher medical education, which had been recognized only conditionally over the previous couple of years.⁴

4. Health Ministry Bans Medical Education in Belarus, Monday, Financial Tribune, July 25, 2016, <http://financialtribune.com/articles/people/46158/health-ministry-bans-medical-education-belarus>

On 23–24 August, Deputy Minister of Foreign Affairs of the Islamic Republic of Iran Ebrahim Rahimpour paid a visit to Belarus. He took part in consultations between the Foreign Ministries and had a meeting with Belarusian Foreign Minister Uladzimir Makiej.

While remaining very cautious, Belarus does no longer consider its cooperation with Iran to be fraught with adverse consequences, such as a negative response from the West. Belarus's new ambassador to Iran Jury Lazarčyk said as he presented his credentials to the president of Iran: *"After Iran's success in hammering out the JCPOA with 5+1, Belarus has faced great opportunities for broadening ties with Tehran."*⁵

In the course of his visit to Belarus, on 4 May, Iranian Minister of Industries, Mining and Trade Mohammad Reza Nematzadeh signed a "roadmap" for the promotion of trade, which sets a new target for two-way trade, at USD 250 million by the end of 2017, up from the current USD 75 million. During the visit of Deputy Foreign Minister of Belarus Valiancin Rybakoŭ to Tehran in February, the program for cooperation in 2016–2018 was signed.

Saudi Arabia. On 30 June–1 July, President of the King Abdulaziz City for Science and Technology (KACST), Prince of the Kingdom of Saudi Arabia Turki bin Saud bin Mohammad Al Saud, visited Belarus. He met with Chairman of the upper house of the Belarusian parliament, the Council of the Republic, Michail Miasnikovič. They explored possibilities for establishing joint research and practical centers in pharmaceuticals, optoelectronics, etc. Earlier this year, an interstate agreement on cooperation in science and technology was signed during the visit of Deputy Minister of Foreign Affairs of the Kingdom of Saudi Arabia Yousef bin Tarrad Al Saadon. The agreement, along with the similar accord with Sudan, was approved by the Belarusian government on 19 August.

Jordan. On 21–25 August, a Belarusian delegation led by Deputy Chairman of the Belarusian State Military Industrial Committee Hiennadz Smolski visited Jordan. He participated in the 3rd meeting of the Belarusian–Jordanian committee on military and technical cooperation. Following the meeting, a "roadmap" was signed for the promotion of military and technical cooperation between the Belarusian State Military Industrial Committee and the General Staff of the Jordanian Armed Forces for 2017–2020.

Turkey. On 14–15 July, Deputy Foreign Minister of Belarus Aliena Kupčyna visited Turkey. She conducted consultations between the Foreign Ministries of Belarus and Turkey and met with Turkish Minister of Forestry and Water Veysel Eroglu, who is the co-chairman of the joint economic commission.

Minsk immediately responded to the attempted coup in Turkey on 15 July by voicing its unequivocal support for the incumbent government. On 10–11 August, aide to the Belarusian president Usievalad Jančeŭski visited Turkey, where he conducted negotiations with Cemil Ertem, Chief Economic Adviser to Turkey's president. The reports about President Recep Erdoğan's planned visit to Belarus in early August, which were published in July at the initiative of the Turkish side, were originally false and served political interests of the Turkish administration, according to some sources.

South Asia

Pakistan. On 23–25 August, Syed Tariq Fatemi, Special Assistant to the Prime Minister on Foreign Affairs of the Islamic Republic of Pakistan, paid a visit to Belarus. He was received at the top level: not only by Foreign Minister Makiej, but also by President Lukashenka.

In October, Lukashenka plans to visit Pakistan. During his conversation with Fatemi, the Belarusian state leader notably referred to the need for the engagement of third countries

5. Rouhani: Ties with Belarus should be improved, News ID: 3754855 - Mon 29 August 2016 <http://en.mehrnews.com/news/119308/Ties-with-Belarus-should-be-improved>

in the development of the relationship between Belarus and Pakistan. *"For example, you have excellent relations with China, and so do we. When it comes to Russia, you have good relations, and we have excellent relations with them. There are lots of benefits to draw here, including for those countries."*⁶

In May 2015, Lukashenka paid an official visit to Pakistan, and in August 2015, the prime minister of Pakistan visited Belarus. Last year, two-way trade between Belarus and Pakistan reached USD 56.3 million, with a surplus of USD 31.1 million for Belarus.

Sri Lanka. On 18–19 August, Minsk hosted the 2nd meeting of the Belarusian–Sri Lankan commission for trade and economic cooperation, attended by Secretary of the Ministry of Industry and Commerce of Sri Lanka T.M.K.B. Tennekun. The meeting addressed the organization of joint assembly facilities in Sri Lanka, joint projects in agriculture, pharmaceuticals, medical education, and tourism. The delegation had meetings in the Ministry of Industry, Ministry of Agriculture, and visited Amkodor and MTZ.

On 22 August, Minsk hosted the 3rd round of consultations between the Foreign Ministries of Sri Lanka and Belarus, attended by Grace Asirvatham, Assistant Secretary of the Ministry of Foreign Affairs of Sri Lanka. Regional cooperation was addressed, alongside engagement in culture and education, healthcare, science and technology.

Forecast for the near term

In the Middle East, cautious contacts with Iran and its allies (Syria and Iraq) will not bring about any significant breakthrough in Belarus's relationships with those countries, and Belarus's foreign policy in that region will gravitate towards the conservative regimes. This can be attributed to the fact that neither Iran, nor its allies can offer Minsk any promising projects in the short run, because their position remains challenging in every respect. At the same time, the conservative Arab monarchies (primarily Saudi Arabia and Qatar) can be expected to become promising partners for Minsk, including for the implementation of projects in third countries (for example, in Pakistan, Sudan, or even Eastern Europe).

In the near term, Belarusian foreign policy will focus primarily on countries beyond the Middle East, namely, in South Asia (where cooperation with Pakistan has been developing quite impressively. However, Minsk is already working on balancing that cooperation with joint projects with India, which is evidenced by the recent meeting of the corresponding working group chaired by Miasnikovič and the recently publicized projects of the Belarusian defense industry in that country), Southeast Asia, and, to a more limited extent, in Sub-Saharan Africa, Latin America, and North Africa (in that particular order).

Minsk will not stop looking for new formats to promote its export supplies to developing markets. For example, attempts to promote Belarusian-made products in Africa and Asia via Latvian partners have been reported. Specifically, in 2015, Latvia's Kombainserviss set up a joint venture in Mauritania and has already supplied to the Mauritanian market 50 machines produced by MTZ, MAZ, and Amkodor.⁷

Previously, Belarusian companies were reported to establish contacts with French and Israeli businesses to approach the markets of Central Africa.⁸ It looks like Belarus will keep using this format and engage foreign partners to promote its export in the most challenging regions, where Belarusian manufacturers are least prepared to operate.

6. Meeting with Special Assistant to Prime Minister on Foreign Affairs of Pakistan Syed Tariq Fatemi, 25 August 2016 http://president.gov.by/en/news_en/view/meeting-with-special-assistant-to-prime-minister-on-foreign-affairs-of-pakistan-syed-tariq-fatemi-14281/

7. Interview of Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to the Latvian Republic Maryna Daŭhapolava to Exchange Bulletin (No. 3 (45), July 2016) <http://mfa.gov.by/press/smi/fb78198507a6296a.html> (in Russian)

8. Simon Piel et Joan Tilouine, Dans le marigot de la Françafrique, un faux conseiller de Hollande et un vendeur d'armes, *Le Monde.fr*, Le 25.12.2015, http://www.lemonde.fr/afrique/article/2015/12/25/dans-le-marigot-de-la-francafrique-un-faux-conseiller-de-francois-hollande-et-un-vendeur-d-armes_4838115_3212.html

Development of the Belarus–Ukraine relationship

Summary index: +6

Total positive points: +8

Total negative points: -2

+8

-2

Main trends

During the two months under review, the Ukrainian issue was mentioned in public speeches of the Belarusian leadership only sporadically, although the economic engagement between the two countries showed consistent progress. Bilateral relations remain strategically important for both countries.

Ukrainian, Belarusian, and Russian media issued increasing numbers of reports about the strengthening of the military cooperation between Belarus and Ukraine. Cooperation in the defense sector was mentioned by Foreign Minister Uladzimir Makiej in the course of his visit to Kyiv in August.

Description of the key events

Makiej's working visit to Kyiv on 25–26 August and meetings with Ukraine's top officials became the highlight of the bilateral relations.

Makiej's meeting with Ukrainian President Petro Poroshenko focused on the completion of the development of the Ukrainian–Belarusian state border "in compliance with the best international practices," and intensification of trade and economic relations through further expansion of cooperation in mechanical engineering, energy, agriculture, and transport. Makiej and Poroshenko also addressed military cooperation and mentioned the significance of holding the next meeting of the intergovernmental Ukrainian–Belarusian mixed commission in Minsk in September 2016. Poroshenko voiced his interest in the promotion of a network of educational institutions in order to create opportunities for communities of ethnic Ukrainians in Belarus to learn their language. The meeting also addressed the organization of joint cultural events celebrating the 345th anniversary of the author of the first Ukrainian Constitution — Hetman Pylyp Orlyk, who was born in the area that is now part of the Minsk Region.

Furthermore, Makiej expressed his gratitude to Poroshenko for his assistance in the restoration of the dialogue between Belarus and the European Union. The Ukrainian president, for his part, said he appreciated Belarus's efforts in the organization of the Minsk dialogue to settle the armed conflict in Donbas.

Makiej also met with Ukrainian Foreign Minister Pavlo Klimkin and Deputy Prime Minister Hennadiy Zubko. Following the meetings he said that there were "no unsolvable problems" between Belarus and Ukraine, and that the current "relationship between the two countries is characterized as mature partnership."

The appointment of new ambassadors was also addressed during the meetings. It was announced that Valiancin Vialička, who had served as Belarus's ambassador to Ukraine since 2001, would leave the country soon, and Ihar Sokal (chief of the Office of the Council of Ministers of Belarus) would take over. Poroshenko promised to appoint a new ambassador to Belarus soon. The position has remained vacant for more than a year now.

Makiej said the absence of Ukraine's ambassador to Belarus affected the relationship.

Following his talks with Ukrainian officials, Makiej made a series of high-profile statements. He noted that Belarus did not consider the deployment of additional NATO contingents near its borders to be a direct threat to its military security, which runs counter to the position of the Kremlin. Furthermore, he de-facto criticized the Kremlin for the "non-transparency" of its military exercise in the vicinity of the state borders of Belarus and Ukraine: *"The main thing is that this process should be transparent. If military exercises are staged with the involvement of personnel and combat equipment that exceeds certain limits, then international observers, military attachés accredited in respective countries are normally invited. This process must be transparent and cause no anxiety in neighboring countries and other states."*

Trade relations

Early July was affected by a crisis in two-way trade associated with the suspension of deliveries of oil products to Ukraine from Belarus-based Mazyr NPZ on spot terms (with immediate payments for supplies). Deliveries continued only based upon long-term contracts. The situation was caused by the deficit of crude in Belarus due to the reduction in deliveries from Russia. However, supplies resumed in full measure on 14 July.

The oil dispute between Russia and Belarus had serious consequences. On 15 July, Presidents of Ukraine and Azerbaijan Poroshenko and Ilham Aliyev said the Odessa–Brody project would be resumed. The pipeline has been out of use since 2011, when Belarus gave up on the import of Azeri crude. Experts believe Azerbaijan is capable of supplying approximately 18 million tons of crude oil to Eastern Europe annually, and Belarus will be able to buy most of it, thus reducing its dependence on Russian supplies.

A new major player may appear in the oil market of Eastern Europe. According to Ihor Nasalik, Minister of Fuel and Energy of Ukraine, Iran has been showing a strong interest in oil transportation by Odessa–Brody, which is deemed to be the most optimum route logistically.

Belarus remains the key player in the Ukrainian market for oil products. In January–July, Ukraine imported 3.88 million tons of oil products (gasoline, diesel fuel, fuel oil, jet fuel, etc.) worth a total of USD 1.61 billion. Deliveries from Belarus amounted to USD 1.02 billion in value terms. Ukraine imported USD 152.9 million worth of oil products from Russia, while supplies from Lithuania and other countries amounted to USD 138.2 million and USD 295.2 million, respectively. In 2016, Belarus managed to fill a new niche in the Ukrainian market by increasing fuel oil supplies 5.2 times to 186,300 tons and effectively becoming the only supplier. This can be attributed to Ukraine's efforts to minimize the use of natural gas in power engineering, meaning that this business can have excellent prospects in the future.

In July, Nasalik said that electricity export to Belarus might resume in October. Electricity used to be Ukraine's most important export to Belarus up until the end of 2014, when Ukraine suspended supplies.

Foreign Minister Klimkin said following the 7th informal ministerial dialogue of the Eastern Partnership member states in July that the EaP countries (Azerbaijan, Armenia, Belarus, Georgia, Moldova, and Ukraine) were capable of establishing a single economic dimension "in certain areas." Johannes Hahn, Commissioner for European Neighbourhood Policy and Enlargement Negotiations, said that *"the economic aspect of our cooperation is what plays an important role, and if we wish to stabilize the region, we must invest in economic development. The six countries with 70 million people are a huge market and a huge opportunity; however, so far, judging by the European market, these countries account for only one-sixth of the European commodity turnover. We see a vast capacity today and its further improvement as our relationships strengthen."*

In August, following Makiej's visit to Kyiv, Deputy Prime Minister of Ukraine Zubko announced Ukraine's plans to develop, jointly with Belarus, transport corridors in the EU. According to him, further expansion in transportation volumes by the Viking and ZUBR

container trains had substantial capacity. In order to boost transportation of transit freights via Belarus and Ukraine, it is important to keep on tariff provisions and set competitive rates, he said. For its part, Ukraine will continue to develop the Europe–Caucasus–Asia ferry service, which will increase commodity flows between the Baltic Sea and the Black Sea. He also spoke about excellent prospects of cooperation with Belarus within the Kyiv–Minsk–Warsaw, Kyiv–Minsk–Vilnius, and Kyiv–Minsk Riga transport formats.

In the first half of 2016, Ukraine was Belarus's second-largest trade partner by the volume of supplies, second-largest importer of Belarusian products, and fifth-largest supplier of goods to Belarus. Belarus has enjoyed surplus in two-way trade for many months now—in the first half of 2016, it amounted to USD 890 million, which compares to USD 668 million in the same period of 2015. Export supplies from Belarus went up to USD 1.298 billion in the first six months of 2016 from USD 1.112 billion in the same period of 2015, and import shrank to USD 408 million from USD 444 million.

Other aspects of bilateral relations

On 5–8 July, Belarus held a military inspection in Ukraine as part of the agreement between the Government of Belarus and the Ukrainian Cabinet on additional confidence-building measures and security. The verification mission was designed to confirm that the area was free from major military activities that are subject to preliminary notice in accordance with the provisions of the agreement.

On 6 July, Belarus did not vote for the resolution about the occupation of Crimea at an OSCE PA session that condemned Russia's occupation of Crimea in 2014. A representative of the Belarusian delegation to the OSCE, Valiancina Liavonienka, said: *"we warned them that we would not be voting on controversial issues pertaining to Russia and Ukraine, our OSCE PA colleagues from both countries. We attributed our decision to the fact that we do not want to destroy the Minsk negotiating platform, even indirectly. We believe Belarus should keep its neutrality in this situation."*

On 12 July, Chief of Belarus's State Customs Committee Jury Sienko visited Kyiv to conduct negotiations with Chief of the State Fiscal Service of Ukraine Roman Nasirov. The talks resulted in the agreement on two-way customs cooperation that incorporates the program for the engagement between the two countries for the second half of 2016 and envisages a border emergency alert system.

On 2 August, Spokesman for the State Border Committee of Belarus Aliaksandr Tiščenka said Belarus did not officially recognize passports issued in the self-proclaimed Donetsk People's Republic (DPR). On 26 August, First Vice Speaker of the Verkhovna Rada of Ukraine Iryna Gerashchenko called on Belarus to refrain from sending its observers of the State Duma elections in Russia to the occupied territory of Crimea. However, there was no response to that appeal from official Minsk as of the day the Index was compiled.

Forecast for the near term

In the near future, Belarus will continue building up its bilateral relations with Kyiv, which amid the economic crisis remains an extremely important economic partner. Politically, official Minsk will keep using the Ukrainian channel to seek normalization with the West.

In the context of the tight talks between Belarus and Russia over energy products, new prospects emerge for the diversification of crude supplies to Belarus.

Belarus benefits from the mutual trade blockade of Russia and Ukraine. During the two months under review, Belarus's role in air travel between Russia and Ukraine increased dramatically. Since the start of the year, passenger traffic in Minsk National Airport increased by 22% to 1.831 million passengers (an increase by 25.8% in the first half of the year compared to the same period in 2015). The main reason is the suspension of flights between Ukraine and Russia and use of the Belarusian airport as a connection point.

Annex

Catalogue of events underlying the relations development index

Development of the Belarus–Russia relationship

Date	Event	Point
1 July	Reduction in crude oil supplies to Belarus for processing	-3
3 July	Ambassador Pietryšenka's interview to Russia 24 TV channel	+1
3 July	Military parade in Minsk, Rapota's visit, participation of Russian troops in the parade	+1
10 July	Emergency at the construction site of the Belarusian Nuclear Power Plant	-3
12 July	Kabiakoŭ meets with Medvedev in Moscow to discuss energy products	-1
29 July	Second installment of the EFSD loan transferred to Belarus	+2
3 August	Rosselkhozadzor issues claims against six Belarusian companies	-1
5 August	Protocol of intent for MAZ and MTZ to be involved in the mechanical engineering cluster in Cherepovets	+1
11 August	Governor of Bryansk Region of Russia visits Belarus	+1
12 August	Kabiakoŭ takes part in a meeting of the EEU Intergovernmental Council in Sochi	+2
18 August	Uladzimir Siamaška meets with Gazprom CEO Alexey Miller	+1
23 August	Kabiakoŭ's statement on possibility to reach an agreement on natural gas soon	+1
24 August	Belavia air carrier to launch cheap flights to Zhukovsky	+1
26 August	Stadler on supplies of trams to St. Petersburg	+1
July-August	Hard natural gas talks	-2
July	Development of standards for the common market for pharmaceuticals of the EEU	+2
July-August	Preparation of the EEU Customs Code	+2
Total		+6

Development of the Belarus–EU relationship

Date	Event	Point
1 July	Makiej meets with a delegation of the Association of German Chambers of Industry and Commerce	+1
4 July	Makiej meets with Ambassador of Germany Peter Dettmar	+1
5 July	Makiej meets with Ambassador of Lithuania Evaldas Ignatavičius	+1
6-7 July	Makiej visits Latvia	+2
7 July	Kupčyna meets with Ambassador of Slovenia Primož Šeligo	+1
7 July	Lukashenka meets with Ambassador of Lithuania Evaldas Ignatavičius	+2
8 July	Makiej and Chairman of the Council of the Republic Miasnikovič meet with members of the National Assembly of France	+1
11-12 July	Kupčyna and Deputy Economy Minister Iryna Kascievič participate in the 7th round of informal ministerial dialogues of the Eastern Partnership member states in Kyiv	+1
19-21 July	Kupčyna visits Poland, participates in political consultations, signs an agreement on cooperation in education	+2
19 July	Makiej meets with Ambassador of Finland Harri Mäki-Reinikka	+1
2-3 August	Kupčyna and Miasnikovič meet with a parliamentary delegation of Poland led by Vice Marshal of the Polish Sejm Ryszard Terlecki	+1
4 August	Kupčyna meets with Ambassador of Hungary Vilmos Sziklavári	+1
5 August	Kupčyna meets with Ambassador of Poland Konrad Pawlik	+1
24 August	Makiej meets with Ambassador of Lithuania Andrius Pulokas	+1
27-30 August	Kupčyna visits Austria	+1
July-August	Public controversy with Lithuania regarding the Belarusian Nuclear Power Plant	-1
July-August	Positive materials in official media and statement by top officials regarding the EU, including during the All-Belarusian People's Assembly	+2
Total		+19

Development of the Belarus–China relationship

Date	Event	Point
1 July	Lukashenka congratulates General Secretary of the Communist Party of China, President of China Xi Jinping on the 95th anniversary of the establishment of the Communist Party of China	+1
1 July	Chiefs of state authorities and institutions of Belarus are made personally responsible for the timely completion of operations envisaged by the CBIP development plan and unconditional compliance with the approved construction period	+1
1 July	Deputy Prime Minister Kalinin meets with Communist Party Secretary of Gansu Province Wang Sanyun	+2
2 July	Uladzimir Siamaška participates in the ceremony of putting into operation of the Babrujsk–Žlobin section of the M5/E271 road and makes a positive statement about Belarusian–Chinese cooperation	+1
8 July	Deputy Foreign Minister Rybakoŭ meets with Chinese Ambassador to Belarus Cui Qiming	+1
1 July	Kiryl Rudy appointed Ambassador to China	+1
15 July	Kalinin meets with Hu Zheng, China Merchants Group General Representative in Central Asia and the Baltic Region and Executive Director at the Industrial Park Development Company	+2
19 July	Belarus and China are establishing an investment fund. A respective memorandum of cooperation to create the fund was signed by the Ministry of Finance of Belarus and Citic Construction Co., Ltd following the meeting between Kabiakoŭ and CITIC Group President Wang Jiong	+2
20 July	Lukashenka meets with Wang Jiong	+2
21 July	Ambassador of Belarus to China Viktor Buria meets with Assistant Minister of Foreign Affairs of China (deputy minister) Li Huilai on the occasion of the completion of his diplomatic mission	+1
25 July	Belarusian government resolves to conclude an agreement with the government of China by way of exchanging letters on the improvement of the policy and management mechanism of the Industrial Park Great Stone	+1
2 August	Ambassador of Belarus to China Rudy presents copies of credentials to Deputy Director of the Protocol Department of the Ministry of Foreign Affairs of China Zhang Yimin	+1
16 August	Second meeting of the Commission for trade and economic cooperation of the Belarusian–Chinese Intergovernmental Committee on Cooperation, and eighth meeting of the Working Group for the China–Belarus Industrial Park (in Nanking)	+1
18 August	Second meeting of the Belarusian–Chinese Intergovernmental Committee on Cooperation (in Minsk)	+1
18 August	Lukashenka meets with Meng Jianzhu, Secretary of the Central Political and Legal Affairs Commission of the Communist Party of China	+3
23 August	Viciebsk Region is planning to build six social residential houses with the use of gratuitous Chinese aide, says Deputy Chairman of Viciebsk Region Administration Bielavus	+1
26 August	Ambassador to China Rudy meets with Assistant Minister of Foreign Affairs of China (deputy minister) Li Huilai	+1

29 August	Belarus and China have become strategic partners and keep moving forward, Lukashenka said during his meeting with a delegation of the People's Government of Hunan led by Changsha Mayor Hu Henghua and Zoomlion President Zhan Chunxin	+2
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Total +25

Developments in Belarus's relations with the 'Developing countries'

Date	Event	Point
13-15 July	Mohammad Farhadi, Iranian Minister of Science, Research and Technology, visits Belarus	+1
23-24 August	Deputy Minister of Foreign Affairs of Iran Ebrahim Rahimpour visits Belarus	+1
23-25 August	Syed Tariq Fatemi, Special Assistant to the Prime Minister on Foreign Affairs of Pakistan, visits Belarus	+1
Total		+3

Development of the Belarus–Ukraine relationship

Date	Event	Point
July	Chief of Belarus's State Customs Committee Sienko visits Kyiv; new agreements on cooperation are signed with Chief of the State Fiscal Service of Ukraine Nasirov	+1
July	Fast resolution of the oil product trade crisis	+1
July	Belarus refuses to vote on the resolution on the occupation of Crimea at a regular OSCE PA session	-1
July-August	Belarus obtains a new niche in bilateral relations — it monopolizes supplies of fuel oil to Ukraine	+1
August	Makiej visits Kyiv, conducts negotiations with President Poroshenko, Foreign Minister Klimkin, Deputy Prime Minister Zubko	+2
August	Belarus's willingness to cooperate with Ukraine in culture projects (teaching of Ukrainian in Belarusian universities, participation in the celebration of the anniversary of Orlyk)	+1
August	Absence of response to Ukraine's appeal not to send State Duma election observers to Crimea	-1
August	Belarus refuses to criticize NATO for growing more active on the Belarusian border as a measure to deter Russia	+1
August	Another refusal of the State Border Committee of Belarus to recognize passports issued by the self-proclaimed DPR	+1
Total		+6

Event ranking scale:

- Economic and political integration, creation of customs unions, common markets, supranational bodies (ratification and coming into effect of relevant treaties) – **5-7 points**
- Signing/ratification of a crucial agreement (on cooperation, trade, tariffs, visa-free travel, etc., signing of documents on integration) – **4 points**
- Top-level official visit (president and premier) and bilateral meetings – **3 points**
- Large-scale interstate contract, loan arrangement, provision of economic aid – **3 points**
- Official visit at the level of a minister (key ministers: foreign minister, interior minister, defense minister, economy minister, finance minister, trade minister) and head of the presidential administration; contract negotiations – **2 points**
- Official visit at the level of a deputy minister (and non-key ministers), a parliamentary delegation, exhibition, business forum, days of national culture, important diplomatic contacts and negotiations – **1 point**
- Positive statements by the president, Belarusian Foreign Ministry, parliamentary resolutions, positive materials in state or state-controlled media (monitored media include Sovetskaya Belorussia, BelTA, Zviazda, Belarusian Television – 1st National Channel, 2nd National Channel) – **1 point**
- Adverse statements by the president, Belarusian Foreign Ministry, media, adverse parliamentary resolutions, negative materials in the state media – **minus 1 point**
- Protraction of ratification of treaties, non-invitation to events, failure to provide support internationally – **minus 2 points**
- Infringement of treaties, default on mutual commitments (by the Belarusian side) – **minus 3 points**
- Trade wars, antidumping investigations – **minus 3 points**
- Commodity boycotts, embargoes, recall of diplomats, ambassadors – **minus 4 points**
- Severance of diplomatic relations, provocations, military operations – **minus 5-7 points**