

Belarus 'Accepts' \$3Bln Loan

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Finance Minister Alexei Kudrin said Tuesday that Belarus appeared to have accepted the terms of a \$3 billion loan offered by a Russia-led group of former Soviet republics to save the teetering Belarussian economy from a disastrous collapse.

He was reacting to news reports that quoted Belarussian President Alexander Lukashenko as saying, after a telephone conversation with President Dmitry Medvedev, that the loan was a done deal.

"We believe it means the terms of the loan have been accepted," Kudrin told reporters at an unplanned briefing after a regular Presidium session.

Russia, the biggest donor of the Eurasian Economic Community's anti-crisis fund, has insisted that Belarus privatize \$3 billion worth of its enterprises this year and draw foreign direct investment as conditions for the fund's loan, Kudrin said Tuesday. He didn't specify the required amount of investment.

Lukashenko is widely believed to seek divisions in Russia's ruling tandem of Medvedev and Prime Minister Vladimir Putin in order to gain concessions — a tactic that has borne little fruit so far. Putin is expected to raise the loan issue during his visit to Minsk on Thursday.

"I hope we will be able to clarify the details there," Kudrin said.

Divided into \$1 billion tranches over three years, the planned loan is to help Belarus strengthen state finances after its national currency suffered a sharp devaluation in recent weeks.

Russia has long sought a way for its companies to buy stakes of Belarussian companies, such as its refineries.

Belarus is servicing its debt to Russia, which amounts to another \$3 billion over the past four years, Kudrin said.

At the Presidium, Deputy Prime Minister Sergei Ivanov told the ministers that the government was making headway in improving living conditions at the southern Kuril Islands, which are claimed by Japan. After a recent trip to the islands he said Tuesday that a new airport would open in Kunashir Island, while the first phase of the Iturup Island airport upgrade would be complete by the end of next year.

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Russia and Brazil plan to increase bilateral trade to \$10 billion, Brazilian Vice President Michel Temer said, Interfax reported.

"We are currently aiming at the trade figure of \$10 billion that you set during your visit to Brazil back in 2004," Temer said at a meeting with Putin.

Since the last high-level commission meeting in Brazil in October 2010, many "events have happened, both negative — the global financial and economic crisis — and positive — our [2010] trade has grown by 28 percent [over 2009]," Putin said.

Currently, trade between Russia and Brazil stands at \$5.9 billion.

"Brazil is certainly among our strategic partners, and not only in Latin America but worldwide as well. I mean our cooperation within organizations such as the UN and the BRICS [Brazil, Russia, India, China, South Africa]," Putin said.

Russia and Brazil have many interesting prospective projects and ideas, as well as "very good prospects," he said.

The bilateral relationship in various areas — economy, culture, sports and technology — is growing fast, Temer said.