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Minsk Must Pay $54M Electric Bill

By Howard Amos

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The latest twist in Belarus' ongoing fiscal crisis saw the acceptance of a $3 billion loan from a Russian-led bailout fund Saturday. President Alexander Lukashenko is seeking up to another $8 billion **Denis Grishkin**

State-controlled electricity company Inter RAO is poised to slash power supplies to Belarus on Thursday in retaliation for unpaid debts as Belenergo, Belarus' state electrical company, is unable to pay its bill due to the country's currency crisis.

Inter RAO could cut its electricity provision to Belarus in half on Thursday morning if payment for March and April, amounting to 1.5 billion rubles ($54 million) has not been made. On June 19 it could be cut entirely, Kommersant reported, citing unnamed sources.

But analysts said the potential electricity shortages for Belarus were not significant and that losses could be dealt with by restrictions on use.

Inter RAO currently exports 400 to 500 megawatts to Belarus, which represents about 10 percent of the country's electricity use, but a tiny fraction of Inter RAO's exports. The supply could be cut to 200 megawatts overnight between Wednesday and Thursday.

The latest twist in Belarus' ongoing fiscal crisis saw the acceptance of a $3 billion loan from a Russian-led bailout fund Saturday. President Alexander Lukashenko is seeking up to another $8 billion in loans from the International Monetary Fund.

The international currency reserves of the Belarussian central bank have fallen precipitously since January, and there are physical shortages of foreign currency.

A representative of Belenergo, in comments carried by the Energo-news.ru web site, said the debt to Inter RAO had arisen from the impossibility of obtaining hard currency on the currency stock exchange to pay for imports.

"The situation is unpleasant because it will lead not only to certain imbalances," he said, "but in the sense that it will negatively impact on the next round of discussions relating to the conclusion of new contracts."

He added that there would be no energy deficit within Belarus resulting from any shutdown, and that reserve generation capacities could be utilized.

But Mikhail Rasstrigin, an analyst at VTB Capital, said that during the long days of the summer months when demand is traditionally low, "the most straightforward solution would be to restrict demand."