

Minsk Gets Money but Not Electricity

June 21, 2011



A man selling second-hand goods Tuesday in the Belarussian town of Grodno, some 270 kilometers from Minsk. **Alexander Sayenko**

A Russian-led bailout fund threw an \$800 million lifeline to crisis-hit Belarus on Tuesday, but only a few hours later Moscow said it was halting electricity supplies again to its ex-Soviet neighbor because of unpaid bills.

Finance Minister Alexei Kudrin announced the good news on the loan, saying Belarus, which is struggling with a severe currency crisis, had met its obligations and \$800 million — the first slice of a \$3 billion loan from the Eurasian Economic Community — was on its way to Minsk.

"Belarus fulfilled formal obligations yesterday, and today the money is on its way. It has already been sent," he told reporters.

But Russian state-controlled power group Inter RAO took the gilt off the gift by declaring that it was suspending electricity deliveries to Belarus from Wednesday because Minsk had failed to repay outstanding bills for March and April.

"Belarus partners cannot fulfill their obligations, and we cannot be delivering the energy at our loss. Thereby, a decision to fully stop deliveries to the Republic of Belarus from ... June 22 has been made," Inter RAO's spokesman Anton Nazarov said.

Inter RAO says Belarus owed Russia, its main trading partner, about 1.5 billion rubles (\$53.5 million). Russia electricity imports account for about 12 percent of Belarus' needs.

Moscow earlier this month halved electricity supplies to Belarus because of non-payment of bills, but resumed full deliveries on June 13 after Minsk pledged to pay up by July 5.

Nazarov suggested that the Belarussians had now gone back on this assurance and sought to reschedule dates for repayments. "We want absolute clarity here. If you pay in the morning, the goods will be there in the evening," he said.

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