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Potash, Petro Products: EU Hits Belarus Economic Pillars

By Andrea Palasciano for AFP

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Belarus is the world's second-largest exporter of potash fertilizers and refined petroleum products are Belarus's biggest export. **Vikor Drachev / TASS**

By approving sanctions on potash fertilisers and petroleum and petrochemical products, European Union foreign ministers are targeting two mainstays of the Belarus economy.

The sanctions – to be formally adopted by the 27-nation bloc in the coming days – target major sources of revenue for the regime of Alexander Lukashenko.

Belarus is the world's second-largest exporter of potash fertilizers after Canada, according to the World Bank, with sales in 2018 worth $2.8 billion.

State group Belaruskali says it produces around a fifth of the world's potash fertilizer and employs 16,000 people.

Exports are an important source of foreign currency for the state-controlled economy.

Most Belarusian potash is exported to Brazil, China and India, but Poland and Belgium are also major clients.

Production was suspended several times at the Belaruskali potash plant as workers joined strikes during last year's post-election protests against Lukashenko.

Belarus does not have its own hydrocarbon reserves but oil and gas still play a major role in its economy.

The country benefits from preferential prices for Russian crude and has maintained refineries and pipelines built when it was part of the Soviet Union.

Refined petroleum products are Belarus's biggest export, worth $6.5 billion in 2019.

Its main clients are Ukraine, which bought $2.5 billion worth that year, and Britain, which bought $2.2 billion worth. Three EU countries followed: Germany, the Netherlands and Poland which together accounted for more than $1.5 billion in purchases.

Belarus also controls a series of pipelines carrying Russian oil and gas to Europe, but the EU does not yet appear to be targeting the network, which provides Minsk with significant transit fees.

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