

## Ukraine-Belarus: a spiralling crisis

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Alexander Lukashenka's suggestions about the possibility of recognising the annexation of Crimea and the self-proclaimed republics in Donbass following the arrest of Raman Pratasevič were met with a sharp reaction in Ukraine. Earlier, Ukraine had joined the EU sanctions against those responsible for election rigging and persecution in Belarus, officially refused to call Lukashenka the president and kept political contacts to a minimum. Ukraine has also begun to regard Belarus's military cooperation with Russia as a direct threat to regional security, as emphasised by President Volodymyr Zelensky, among others. This has led to the further entrenchment of the biggest crisis in bilateral relations since the collapse of the USSR, one which has been ongoing since the Belarusian election on 9 August last year.

Lukashenka initially refrained from harsh criticism of Ukraine, but gradually named the country, as well as Poland and Lithuania, as an "aide" of the US, allegedly planning to overthrow his regime through a so-called "colour revolution". In parallel to the escalation of the political crisis, both sides have imposed trade restrictions on each other. So far, these have not affected sensitive commodity groups, such as fuels, because the governments in Minsk and Kyiv are aware of the high level of interdependence in this area and are choosing their measures carefully. Nevertheless, the level of resentment and the scale of tension in bilateral relations are growing. And although a possible extension of the trade war would be much more costly for Belarus, it cannot be completely ruled out.

### Kyiv's shattered dreams

The crisis in Belarusian-Russian relations was sparked when a group of Russian mercenaries (the so-called Wagner Group), detained by the Belarusian KGB in Minsk were handed over to Moscow in late July 2020, despite Lukashenka's earlier suggestions that they could be handed over to Ukraine. Among them were people accused of committing crimes during the Donbass war. Lukashenka made the decision while eager to gain political support from the Kremlin in the face of an escalating internal crisis, and this finally disabused the government in Kyiv of any misapprehensions it had about continuing a limited political dialogue and led to it sharpening its assessment of events in Belarus. In the following weeks Lukashenka accused Kyiv of actions aimed at overthrowing the regime and of serving the US, and he scornfully called Zelensky "young and lacking in education". This resulted in last August's recall of the Ukrainian ambassador to Minsk for several weeks of consultations, and a "halt" of bilateral relations announced by the head of Ukraine's Ministry of Foreign Affairs, Dmytro Kuleba. Although on 30 November 2020. Ukraine joined the EU's personal sanctions targeting people from Lukashenka's regime. It did not do this in the

case of the subsequent December package, which also included restrictions on eight economic entities. This can be explained by the desire to maintain the current level of trade relations. However, Ukraine supported IT specialists emigrating from Belarus, making it easier for them to conduct business activity.

The state of political tension lasted until spring 2021. After the forced landing of a Ryanair plane in Minsk and the detention of Raman Pratasevič, an opposition journalist who coordinated the citizens' anti-Lukashenka protests last summer and autumn. Ukraine, like the West, has banned flights (including transit flights) of Belarusian aircraft over Ukrainian territory. Annoyed by this action, Lukashenka announced that he did not rule out resuming Belavia's flights to Crimea, and also proclaimed his readiness to cooperate with the prosecutor's office of the so-called Luhansk People's Republic (LPR), which is prosecuting Pratasevič for his alleged involvement in the Donbass fights. Lukashenka's statements were met with a sharp reaction from the Ukrainian government. Kyiv has threatened to introduce severe sanctions if Minsk casts doubt on the integrity of Ukraine's territory by recognising the annexation of Crimea and, de facto, the agency of the LPR. The Ukrainian parliament has begun to consider the possibility of severing diplomatic relations with Belarus, although this initiative is currently unlikely.

### **"Ukraine is an enemy"**

From late August 2020 Belarus has consistently been building up an image of Ukraine as an unfriendly state, fully dependent on its US principals, who have placed one of the centres coordinating actions against Lukashenka in Kyiv. It has also been accused of organising arms smuggling to Belarus and supporting terrorist organisations.

Kyiv's growing anti-Lukashenka rhetoric has led to a freeze in political relations, although Minsk has not given up sending signals about its readiness for dialogue. On 5 June, Prime Minister Raman Haloŭčenka stated that Belarus was in favour of resuming bilateral talks, but that this depended on the attitude of the Ukrainian authorities.

As militant as Minsk's official stance has been, the announcements of the Belarusian state media and the opinions of political experts with ties to the Belarusian government have been more so. In addition to consistently discrediting Kyiv in its pursuit of foreign policy goals in the region, they also include threats that Belarus may support pro-Russian circles in Ukraine, for example by condoning the activity of the pro-Russian media, which are subject to internal sanctions by Ukraine. The narrative of the Belarusian propaganda apparatus coincides with the message of the majority of the Russian media, which presents Ukraine as an aggressive state and one which promotes the revival of Banderivtsi. The convergence of content indicates support for the Kremlin's anti-Ukrainian policy.

### **Trade interdependence**

The growing political conflict has brought economic disputes. However, these are of a milder nature, as radical trade restrictions would be highly disadvantageous for both sides. Belarus is Ukraine's sixth largest trade partner and accounts for 3.9% of its total trade volume. Ukraine is Belarus's the second biggest trade partner after Russia, accounting for 7.4% of foreign trade. In 2020, Ukrainian exports to Belarus amounted to \$1.3 bln and imports were \$2.9 bln.

In April, Ukraine introduced a special 35% duty on imports of Belarusian buses, lorries and special purpose vehicles in response to – as stated in the official justification – discriminatory practices by the Belarusian government authorities. The decision mainly hit the Minsk-based MAZ, one of the key enterprises in the machinery sector, with 20-25% of its export going to the Ukrainian market. In response, on 26 May, Belarus introduced the possibility of certifying Ukrainian importers of 17 product groups for a period of six months. This applies to products whose exports to Belarus in 2020 were worth \$154 mln, including: confectionery, juice, beer, chipboard, furniture, building materials, cardboard and paper packaging. The restrictions will be onerous but not critical for Ukrainian exporters as, with the exception of bricks, the Belarusian market does not play a key role for them. At the end of May, it was speculated that by halting the export of A-95 petrol, the state-owned fuel exporter Belarusian Oil Company (BNK) had initiated an embargo on the export of oil-like products to Ukraine. BNK's representation in Kyiv, however, gave assurance that there was no "political context" attached to the decision, and explained the limitation of exports to 20,000 tonnes in June by reference to repairs in the Mazyr refinery.

The trade restrictions are protectionist in nature. It seems that the bilateral political crisis has become a convenient pretext for their imposition, and their aim is primarily to protect domestic producers, especially in the face of the economic crisis caused by the COVID-19 pandemic. Given the large extent of losses, suffered by both Belarus and Ukraine, the extension of trade disputes over fuels seems questionable. They are of key significance in bilateral trade - Ukraine imports nearly 40% of fuel from Belarus, while for Belarus the Ukrainian market accounts for approximately 45% of its total exports here (\$1.2 bln last year). Should the conflict escalate, it would probably be easier for Ukraine to replace Belarusian supplies with fuel imported from alternative sources, rather than for Belarus to find buyers for most of the output of its refinery in Mazyr.

### **A threatened sense of security**

After the presidential election in August, Lukashenka ostentatiously emphasised joint actions with Russia to bolster the security of the Union State. These included: military exercises, strengthening protection of the border with Ukraine and (in cooperation with the FSB) saturating it with recon points within the state. The KGB's intelligence activity on the northern territory of Ukraine has also intensified, as evidenced by the SBU's detention of individuals providing information on military potential. The accompanying intensification of Russian-Belarusian military cooperation has also raised the issue of the potential inclusion of Russian units in a show of force. Such a scenario causes concerns for the government in Kyiv, who fear Ukraine could be caught in a vice, making it easier for Russia to continue its military and psychological pressure. On 11 May, the head of the SBU, Ivan Bakanov, stated that the scenario of an incursion by the armed forces of the Russian Federation from the territory of Belarus was under consideration. For this reason, Ukraine has strengthened border protection, increasing the number of border service structures and intensifying counterintelligence activities.

### **Downward spiral**

It should not be expected that bilateral relations can improve in the near future. Ukraine regards Russia's support for the Lukashenka regime as an increased threat to its security. In its current policy on Belarus, Kyiv is taking into account the steps taken by the European

Union and the USA, and is signalling solidarity with Western policy. The problem, however, is the cost of the EU economic sanctions currently under discussion. It seems that only Minsk's decision to recognise the annexation of Crimea and the occupying "authorities" of the puppet quasi-states in Donbass would provoke Ukraine to support them. It is possible that Lukashenka has been pushed into these actions by Russia, which wants to limit the already small room for manoeuvre of Belarus in its foreign policy. Although so far Lukashenka has not taken steps to radically restrict trade exchange with Ukraine, given the unpredictability of Minsk's policy in recent months, this cannot be ruled out.