



EU Extends Sanctions on Belarus

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On 21 June, the EU adopted the fourth package of sanctions against representatives of the Belarusian regime and companies associated with it, and on 24 June, the European Council approved economic restrictions on Belarus. These are the most far-reaching measures taken so far by the EU and the most severe for the Belarusian regime. It can be expected that the retaliatory measures adopted by Alexander Lukashenka will be aimed primarily at Belarusian civil society and neighbouring countries such as Poland.

What sanctions have been introduced?

On 21 June, the EU extended the package of restrictions imposed on Belarus to seven economic entities run mainly by businessmen associated with Lukashenka and 78 other people, including representatives of the security institutions, such as the Ministry of Defence. In parallel to the EU sanctions, the U.S., the UK, and Canada also enacted their own restrictions. Moreover, on 24 June, the European Council approved economic sanctions. They include a ban on granting new loans to Belarusian banks, trading in Belarusian securities or short-term bonds, or providing investment services, as well as restrictions on the import of cigarettes, oil, petroleum products, and potassium chloride (used for the production of fertilisers), and a ban on the export of telecommunications equipment that can be used to surveil the opposition. It is the most comprehensive package of sanctions that the EU has imposed on Belarus.

What was the reason for introducing the restrictions?

Among the reasons were the forced landing of a Ryanair flight in order to arrest [Roman Protasevich](#), the worsening human rights situation (as demonstrated by the Human Rights Centre “Viasna” granting the status of political prisoner to 503 people), and the growing repression of activists with independent organisations and media.

Such a wide-ranging package of sanctions is intended to deprive the Belarusian regime of important sources of income. It was introduced despite fears that the retaliation by the Belarusian authorities would be increased repression of its citizens. However, the EU did not decide on more

radical measures, such as blocking Belarus from the SWIFT system of international banking settlements, although it was considered.

What are the consequences for Belarus?

The sanctions will be significant for Belarus, for which around 35% of its exports (around \$5.5 billion worth) are to EU countries. In 2020, Belarus earned \$1 billion on the export of petroleum products to EU countries, which alone accounted for almost 11% of its budget revenues. In turn, the sale of potash fertilisers to the EU brought Belarus around \$196 million. Belarus will be forced to look for alternative outlets, likely in Russia and Asian countries (mainly China). But redirecting export chains there will not be as profitable as the EU. What is more, the ban on trading in Belarusian securities will deprive the country of a convenient source of foreign loans—in 2020, it issued bonds worth a total of \$1.25 billion.

The effects of the sanctions will be visible already in the short and medium term. Russia will also feel them partially as it will have to increase subsidies for Belarus in order to avoid a serious economic crisis there.

What does the adoption of the sanctions mean for the EU and Poland?

Poland and Lithuania made the most efforts to tighten the sanctions, although among the EU members they will bear the largest part of their costs. In recent years, Poland has been the fourth-largest recipient of petroleum products produced in Belarus (mainly diesel fuel), and Lithuania and Poland were the second- and third-largest recipients of

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mixed fertilisers (potassium-nitrogen), which means that they must be imported from other countries. Lithuania will also lose income from the transit of Belarusian potash fertilisers—the port of Klaipeda will lose about €13.3 million while Lithuanian railways will lose around €60 million. Moreover, Poland, like Lithuania, can also expect hybrid retaliation from the Belarusian authorities, such as permitting illegal border crossings. According to

Lithuania, the number of detained illegal migrants on the border with Belarus has increased dramatically in recent weeks (in 2021 so far, more than 400 people have been detained, compared to 81 in 2020). To back up the Lithuanian border services, Frontex will assist from July. Further operations by the Belarusian secret services against Belarusian diaspora living mainly in Poland and Lithuania can also be expected.