

# EU Pressure Ups Belarus Bond Yields

By [The Moscow Times](#)

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Belarussian bond yields rose after European Union countries began to pull their ambassadors out of the country in the former Soviet nation's worst diplomatic crisis since 2008, when the U.S. envoy was expelled.

The yield on Belarus' 7 billion Russian rubles (\$239 million) of bonds due December this year jumped 32 basis points, or 0.32 percentage points, to 12.11 percent, the most since Jan. 30.

Dollar-denominated notes maturing in 2018 fell, sending the yield up four basis points to 10.624 percent, the highest on a closing basis in almost four weeks. The yield on dollar-denominated Belarussian bonds maturing in 2015 jumped 5 basis points to 10.666 percent Thursday, the most since Feb. 7.

The EU on Feb. 27 added 21 officials to a list of more than 200 people it holds responsible for political repression in Belarus, freezing their assets and banning them from entering the trading bloc. Minsk responded by pulling back diplomats from Brussels and Warsaw, prompting a cutback of Western diplomatic presence in Minsk.

The visa ban list includes one businessman, Vladimir Peftiyev, head of weapons exporter Beltechexport. A protest by Slovenia prevented the EU from targeting Yury Chizh, owner of the holding company Triple, which is involved in industries ranging from oil trade and construction to retail and pharmaceuticals.

Slovenian construction company Riko Group won a \$100 million contract to construct a five-star Kempinski hotel in the center of Minsk, the group said on its website Feb. 20. Elite Estate, part owned by Triple, will provide half of the financing, Riko said.

"I hope that future Kempinski hotel guests will remember how long some people had to spend in prison to make their stay possible," Polish Foreign Minister Radoslaw Sikorski said on Polskie Radio on Feb. 27.

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