Responding to the Coronavirus Crisis
Update on Belarus (15/05/20)

EBRD Policy Comparator

Economic channels of disruption

**External demand, expected recession in Russia**
- According to preliminary estimates, economic growth turned slightly negative in the first two months of 2020.
- Domestic trade is falling on the back of rising uncertainties.
- Extended economic ties with Russia (41% of exports, 56% of imports of goods, 31% of total FDI stock) makes Belarus vulnerable to oil price declines and the expected recession in Russia.

Crisis response measures to date

**No systemic financial response to the crisis so far**
- Preference given to recommendations over closures of schools, universities and borders.
- Classes at universities were rescheduled to a later time in order not to create large gatherings of people in public transport during the morning rush hours.
- Health institutions took up mass targeted checks and quarantined the infected and those who were in close contact with them.
- National Bank of Belarus has decided to apply counter-cyclical measures related to the mitigation of a number of prudential requirements.

**Selected crisis response indicators**

- **Support to employee salaries**: Part of US$ 1 million to be used for salary increases of physicians
- **Payment holidays for loans (months)**: Not specified, left to banks to decide
- **Price controls**: Without approval from price regulatory commission prices and tariffs are not allowed to grow by more than 0.5% m/m until the end of June
- **Committed external assistance**: Negotiations with the WB for health and social sector support and request for rapid financing from the IMF

**Selected crisis impact indicators**

- **EBRD GDP growth outlook (May 2020)**
  - 2020: -5.0%
  - 2021: 3.5%
- **GDP**: Jan-March 2020: -0.3% y/y
- **Goods exports (% change, in nominal values)**: Jan-March: -14.7% y/y
- **Exchange rate change (minus means depreciation)**
  - March: -14.0% m/m
  - April: +6.8%

Key short-term priorities

**Secure external financing, support SMEs and vulnerable households**

To learn more about EBRD’s support to Belarus: [https://www.ebrd.com/belarus.html](https://www.ebrd.com/belarus.html)