Responding to the Coronavirus Crisis
Update on Belarus (14/04/20)

Key short-term priorities
Secure external financing, support SMEs and vulnerable households

**EBRD Policy Comparator**

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<th>Financial Sector</th>
<th>Direct support to firms</th>
<th>Payment holidays</th>
<th>Temporary controls</th>
<th>Support to individuals</th>
<th>Increased social benefits</th>
<th>Health</th>
<th>External Assistance</th>
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**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 impact indicators**

**EBRD GDP growth outlook (April 2020)**
(new forecasts out on May 13 2020: recession 2021: strong recovery)

- **GDP** Jan-Feb 2020: -0.6% y/y
- **Goods exports** Jan-Feb: -14.3% y/y
- **Exchange rate change** March: -14.0% m/m
  April 01-14: +5.7 %

**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 started with the WB for US$ 50 million loan for health sector