

BELARUS

**Written statement by Mr Vladimir I. Semashko,
Governor for Belarus of the European Bank for Reconstruction and
Development**

The Republic of Belarus greatly appreciates the efforts of the European Bank for Reconstruction and Development to advance the process of transition to efficiently functioning market economies in its countries of operations. The Bank's commitment to driving the transition process forward by increasing both the quality and the quantity of its operations in 2016 was reflected in the fact that the Bank retained its annual investment volume at its record 2015 level, increased the number of its operations and achieved positive financial results. The confirmation of its AAA credit rating attests to the stable functioning of the EBRD.

However, the marked reduction in the volume of the Bank's operations in the countries of eastern Europe and the Caucasus, where its activities are needed as never before, reduces the positive forward thrust of its work in that region. The Republic of Belarus trusts that the volume of the Bank's investments in the region will be restored in the medium term, and that its high-level work on advancing the transition process will continue.

In 2016, the Bank's well-balanced and constructive position enabled it to start the implementation of a new EBRD Strategy for Belarus for 2016-2019, which envisages a considerable expansion of its operations in our country.

The annual volume of the Bank's investments in Belarus was €124 million, which was 2.3 times more than in 2015, but only half the peak value achieved in 2013-2014. This suggests that potential is being underused and that it will be important to achieve the strong results of the past as part of the new Strategy for 2017-2019.

In 2016, Belarus experienced a high demand for the Bank's support instruments in the areas of energy efficiency, trade finance and small and medium-sized enterprise. Expanding the Bank's future activities in those areas would significantly enhance the role of the private sector and increase the competitiveness of the real economy of Belarus. Progress in the development of entrepreneurial initiatives is one of our country's key economic benchmarks, intended to transform the quality of the whole economy. The EBRD's accumulated experience and expertise in this area could make a significant contribution to the development of financial support to small and medium-sized enterprise in Belarus.

The Government of the Republic of Belarus greatly appreciates the Bank's support in terms of increasing the reliability and quality of public sector infrastructure services through policy and regulatory reform, and the implementation of commercial solutions in Belarus.

In spite of the challenging geopolitical and economic environment, encountered in 2016 at the global and regional levels, the Government of Belarus implemented an integrated package of macroeconomic stabilisation measures that made it possible to slow down inflation, increase gold and foreign currency reserves and reduce the rate of unemployment.

Active cooperation with international financial institutions such as the EBRD makes a significant contribution to the maintenance of the sustainable socioeconomic development of Belarus, and the Government of Belarus counts on the continuation of our joint fruitful work going forward, based on an equitable and constructive dialogue with the Bank.