ECONOMIC DEVELOPMENTS IN THE REPUBLIC OF BELARUS: INCREASING COMPETITIVENESS AND GROWTH

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### General Information on Belarus

**Territory:** 207,600 sq.km

**Population:** 9.47 million (as at January 1, 2014)

**GDP:** ≈ USD71.4 billion (in 2013)

**GDP per capita:** USD15,753 (in 2013)

**Currency:** Belarusian ruble (BYR)

USD1 = BYR10,150

**Ratings:**

- **Human potential development index** - 50th position
- **Doing business** – 63rd position
- **Prosperity index** – 58th position

In 2013, the share of gross fixed capital accumulation in GDP was 38.8%; World ranking: 9
### Production of main industrial products

<table>
<thead>
<tr>
<th>Product Description</th>
<th>1995</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Load carrier vehicles and tipper trucks, thousand pcs.</td>
<td>12.9</td>
<td>18.3</td>
</tr>
<tr>
<td>Tractors, thousand pcs.</td>
<td>28</td>
<td>62.6</td>
</tr>
<tr>
<td>Buses, pcs.</td>
<td>62</td>
<td>2,099</td>
</tr>
<tr>
<td>Primary crude oil processing, thousand tons</td>
<td>13,118</td>
<td>20,473</td>
</tr>
<tr>
<td>Production of potash fertilizers (in 100% nutrient content; thousand tons)</td>
<td>2,789.1</td>
<td>4,242.7</td>
</tr>
<tr>
<td>Tyres for cars and agriculture machines, thousand pcs.</td>
<td>1,291.6</td>
<td>5,568</td>
</tr>
</tbody>
</table>

* preliminary data
The world ranking of the Republic of Belarus in the production of basic foodstuffs per capita

- Beef and veal production: 12
- Fresh cow's milk production: 6
- Powdered milk production: 11
- Cheese production: 20
- Butter and baked milk production: 4
- Egg production: 5
- Pork production: 13
The banking sector of the Republic of Belarus

Number of banks: 31 banks (7 banks with 100% foreign capital share)

Assets: USD41.6 billion, 62.1% of GDP

Regulatory capital: USD5.6 billion, 8.4% of GDP

Distribution of banks’ assets, %
- 64.3%
- 34.7%
- 1%

Distribution of banks’ regulatory capital, %
- State-owned banks: 63%
- Foreign banks: 35.2%
- Private banks: 1.8%
The Belarusian banks’ performance and sustainability

**Profit:** USD0.7 billion

**Return on assets:** 1.9%

**Return on the regulatory capital:** 13.8%

**The regulatory capital requirements:**
- **Minimum capital**: EUR25 million
- **Capital adequacy requirement:** not less than 10%
- **Current value**: 15.5%

**Credit risk:**
- The share of bad assets in the assets exposed to credit risk: 4.4%
Monetary policy

Monetary policy target: slowdown of inflation

Principles:

- Flexible exchange rate regime based on the balance of demand and supply with the National Bank’s limited participation
- Refinancing of financial institutions on market terms
- Maintenance of positive interest rates adjusted for inflation

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer price index (December to December)</th>
<th>Core inflation (December to December)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>108.7</td>
<td>118.1</td>
</tr>
<tr>
<td>2013</td>
<td>16.5</td>
<td>12.0</td>
</tr>
</tbody>
</table>
Eurasian Economic Union

- Free movement of goods and services
  - Free movement of capital
  - Single economic policy
- Free movement of labor force
- Energy and transport

Common market
Thank you for attention!