

# Belarus Economy in a Regional context



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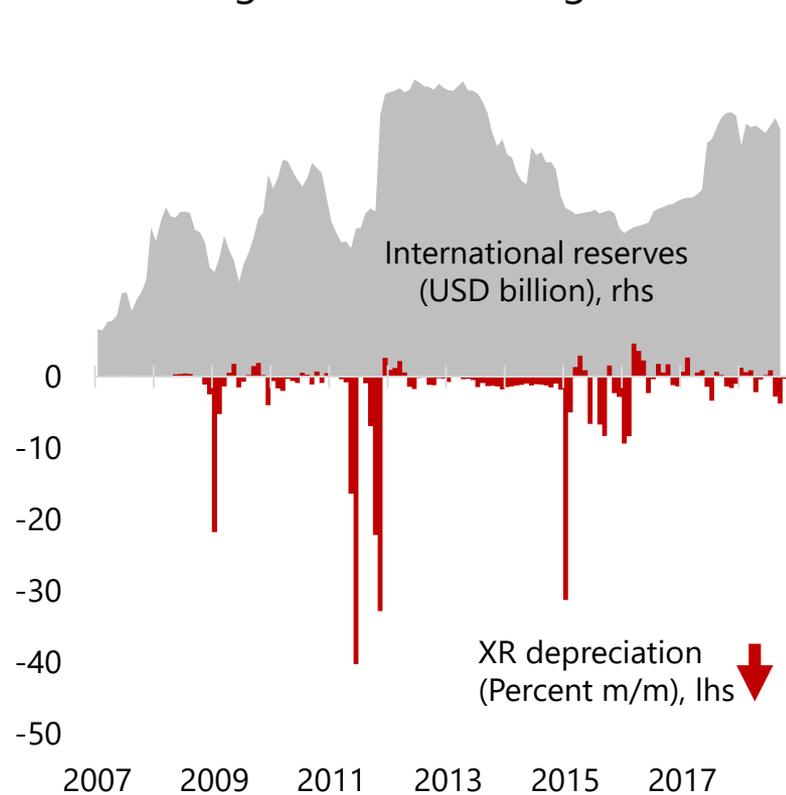
Minsk

November 6, 2018

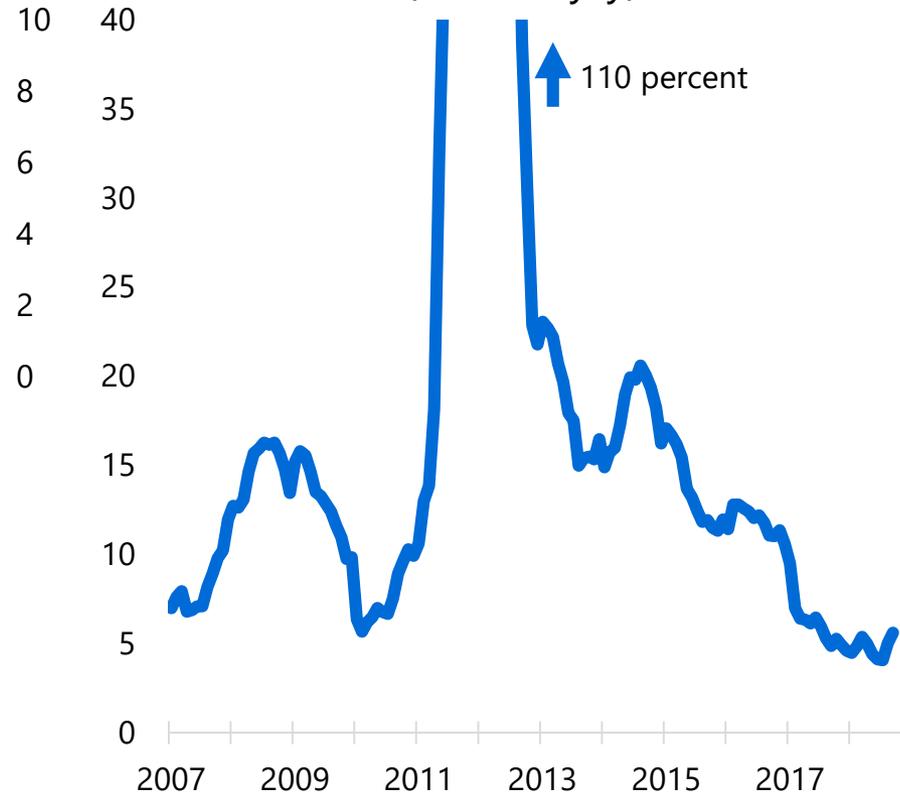
# Macroeconomic stability has been restored



International reserves and changes in the exchange rate



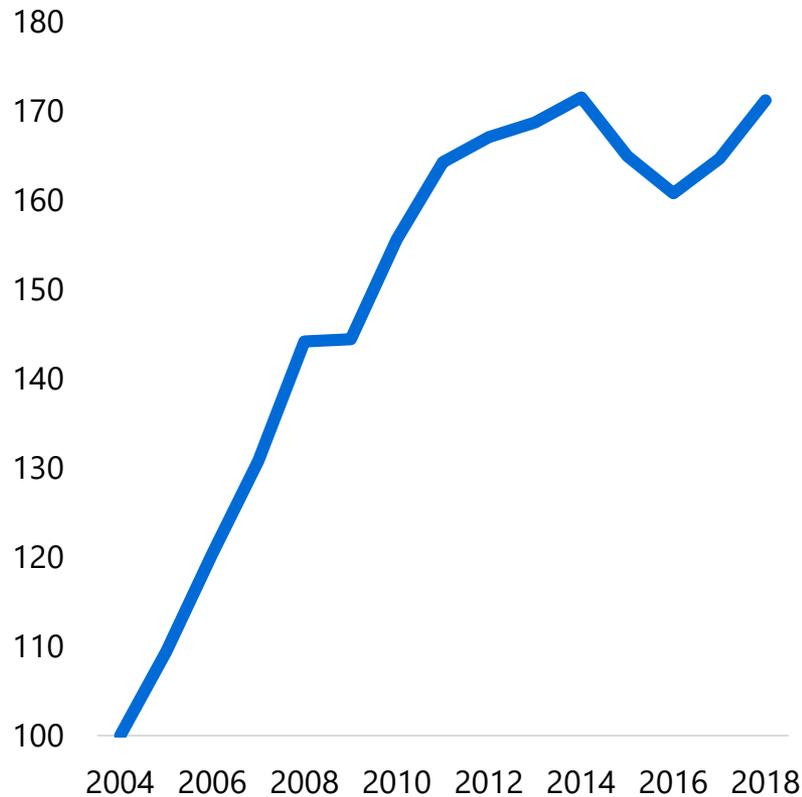
CPI inflation (Percent y/y)



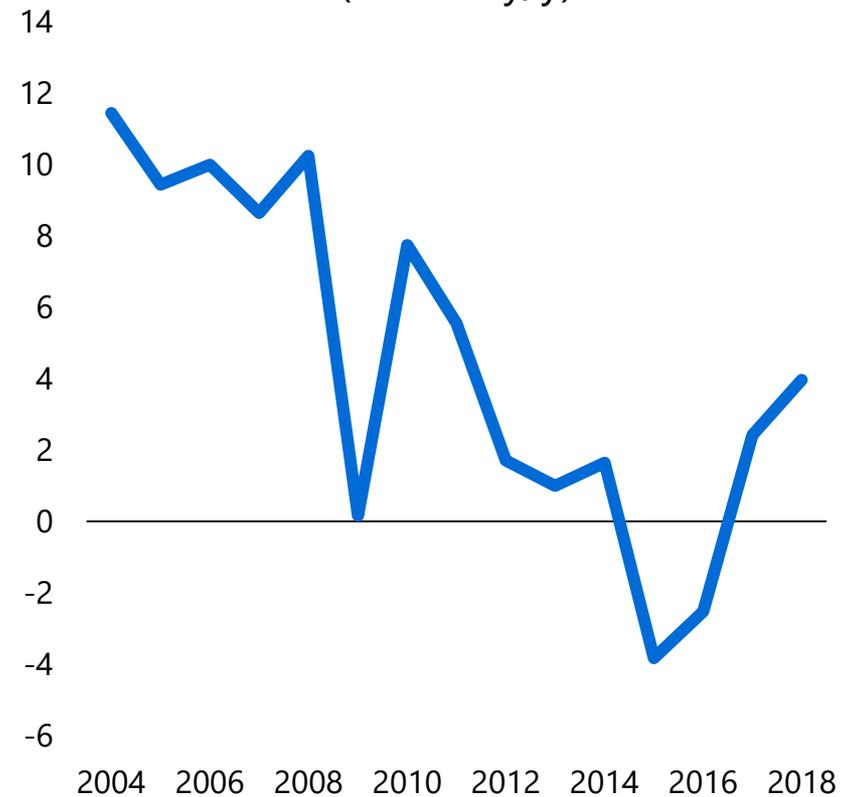
# And economy has recovered and is growing again



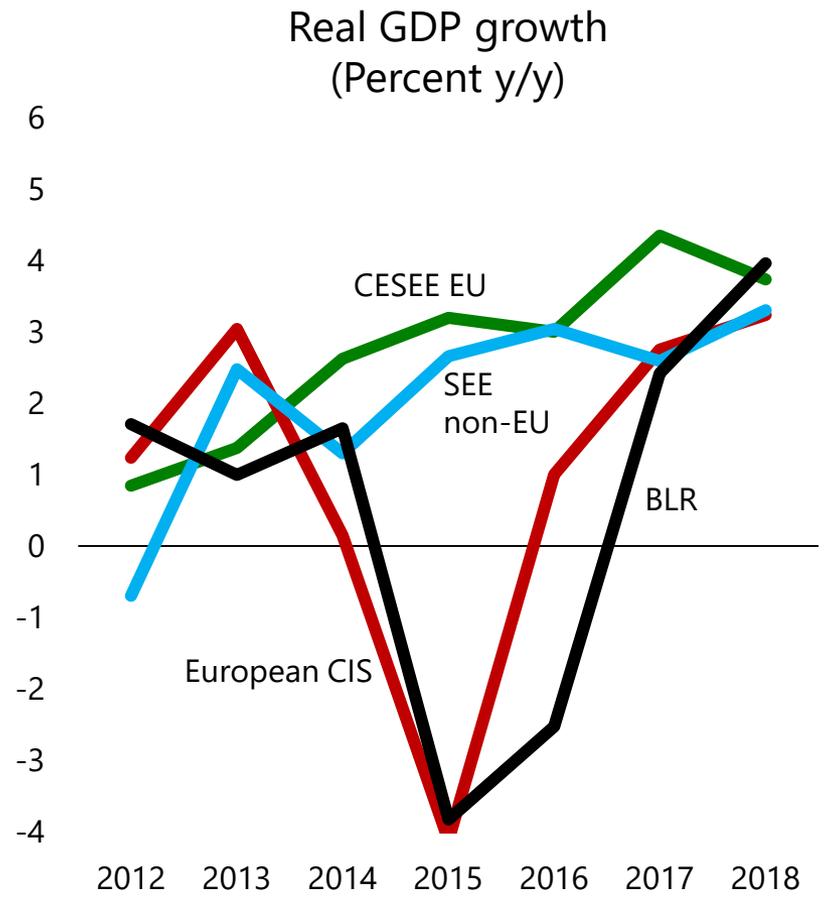
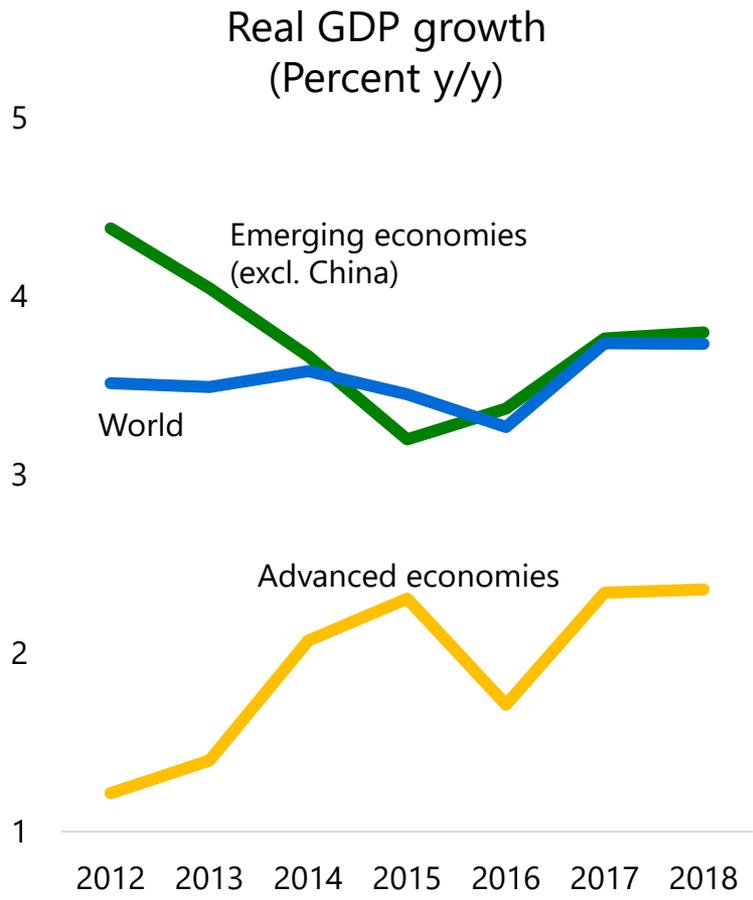
Real GDP (Index, 2004=100)



Real GDP growth (Percent y/y)



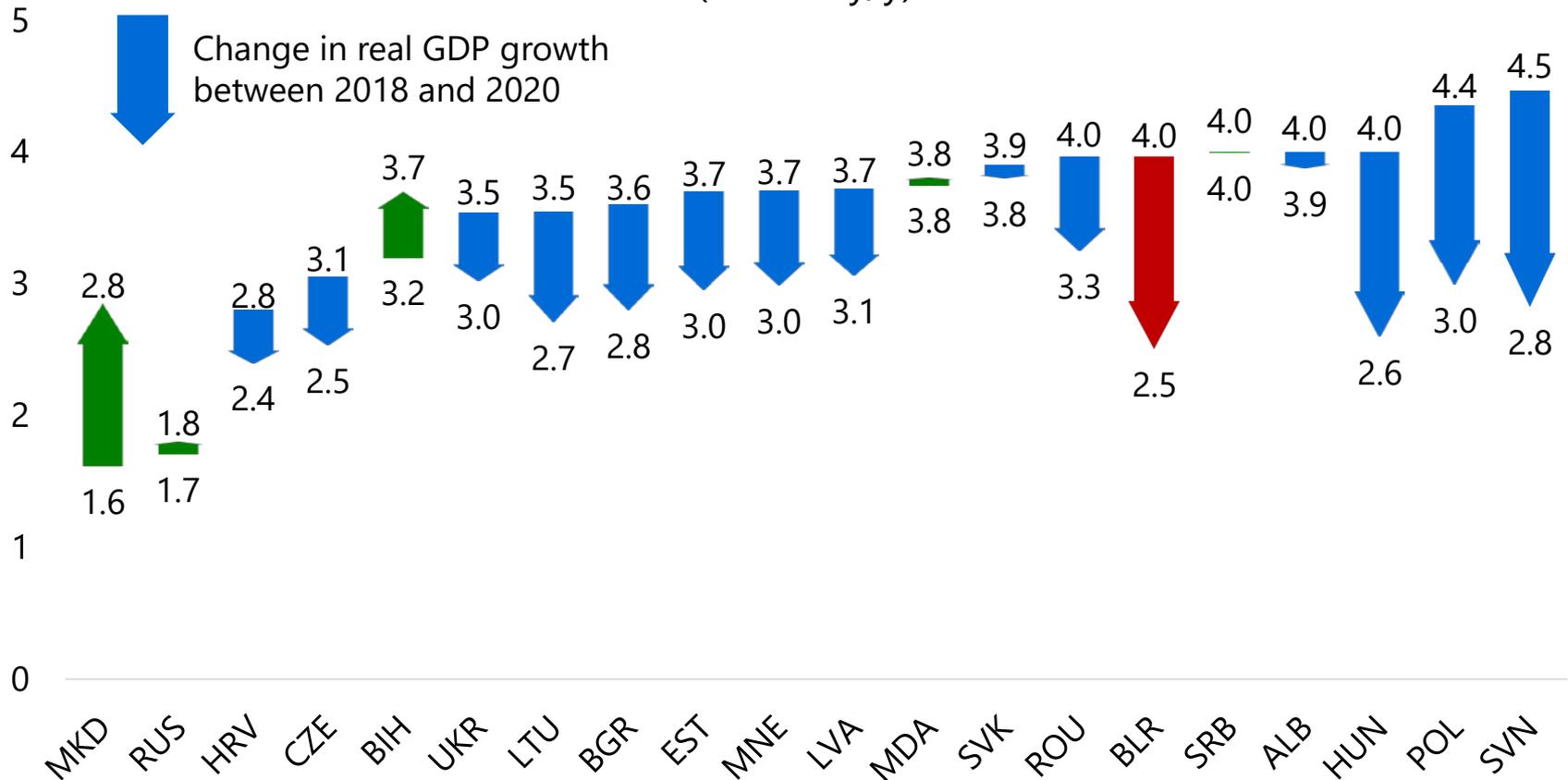
# This is in line with the cyclical upswing seen globally and regionally



# But cyclical upswings do not last forever



Real GDP growth in 2018 and 2020  
(Percent y/y)



# Regional growth is expected to slow down gradually, but risks loom

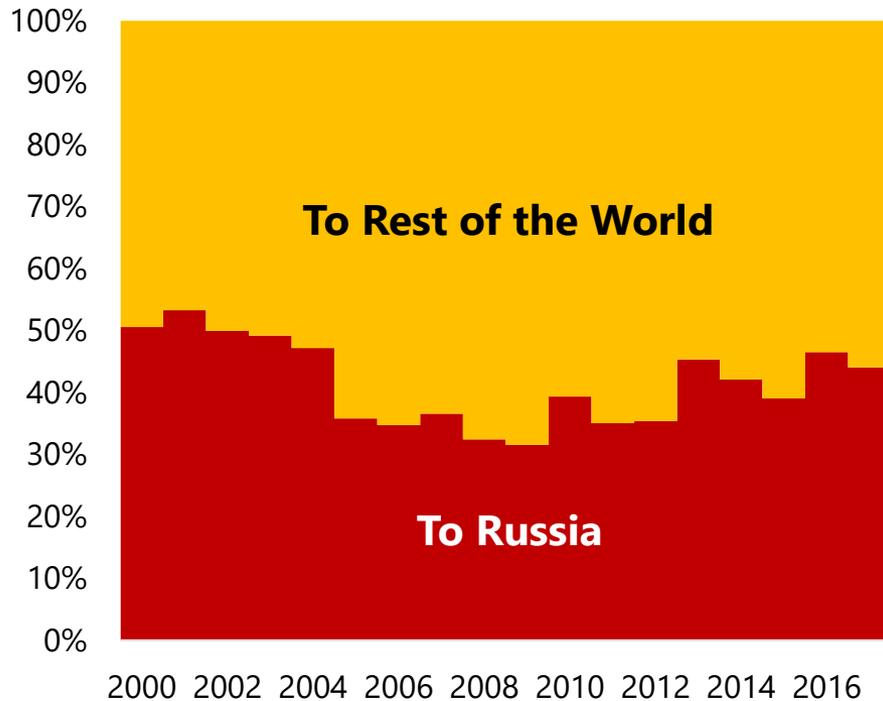


- Escalation of trade tensions
- Sharp tightening of financial conditions
- Complacency regarding fiscal adjustment and structural reforms
- Political risks

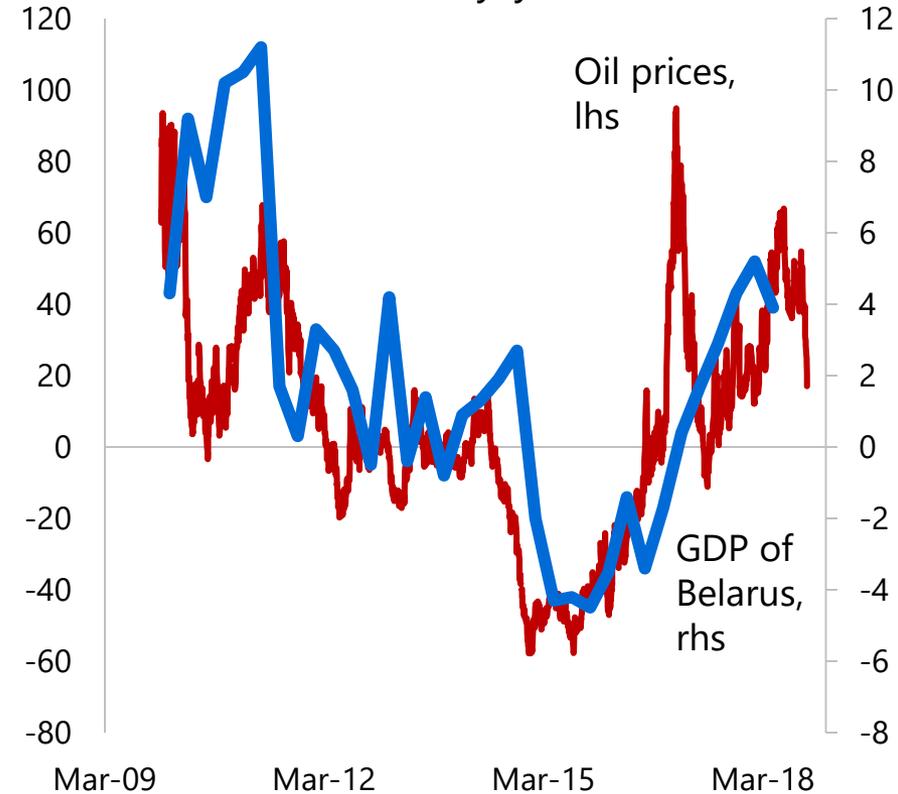
# Belarus is not directly exposed to global risks, but may be hit indirectly



Exports of Belarus  
(Percent of total)



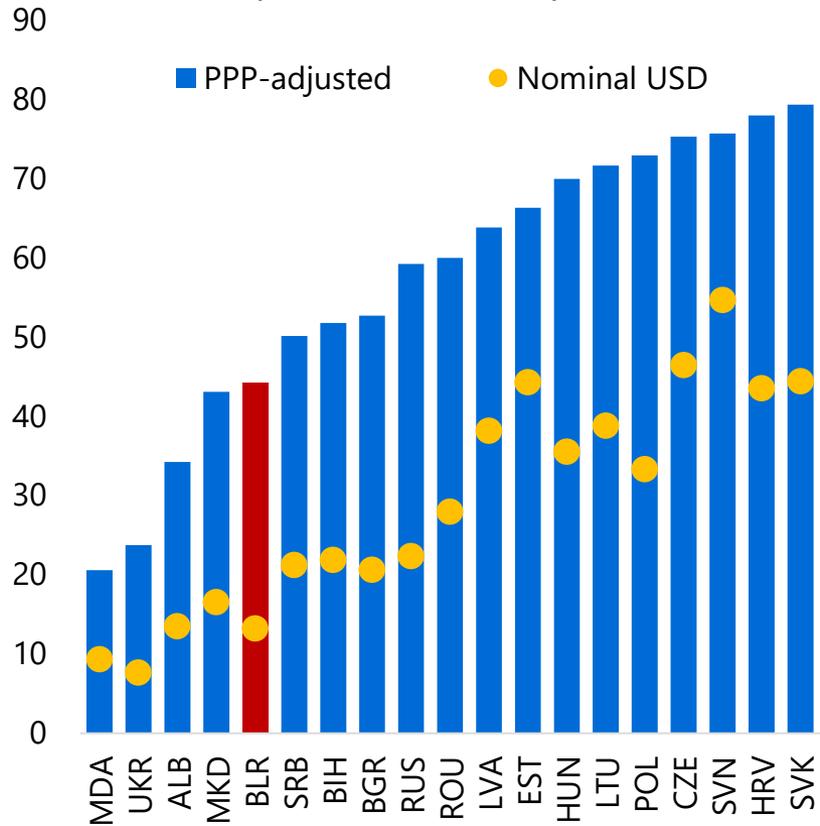
Real GDP growth and change in oil prices  
(Percent y/y)



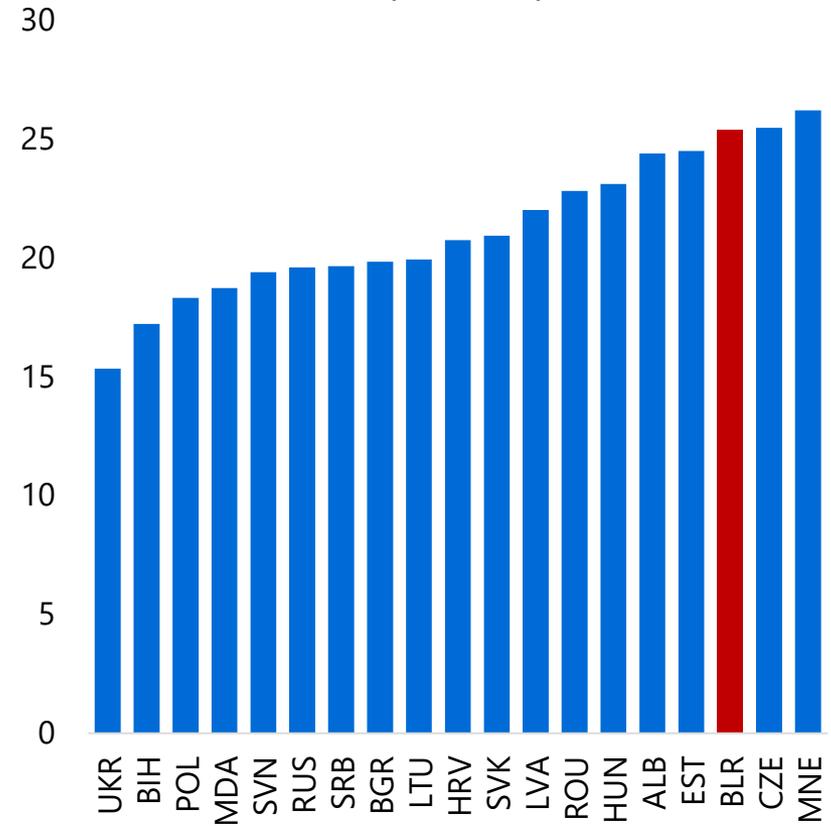
# Productivity remains low and investment rate high



Labor productivity  
(USD thousands)



Investment rate  
(Percent)



# Raising growth potential by addressing underlying intertwined challenges



- Inefficient SOEs
- Dependence on Russia
- Vulnerability to external shocks.



Thank you