Belarus and the IMF

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Bas B. Bakker
Senior Regional Resident Representative for Central and Eastern Europe
Belarus became IMF member on July 10, 1992—25 years ago this year.

- IMF involvement with Belarus started even before independence
- Late 1991, TA mission of IMF’s Central Banking Department. Left Aide-memoire on “Monetary Management and Supporting Central Banking Reforms: Preliminary Findings and Recommendations, and Future Technical Assistance”
- Resident Representative office opened in 1992
Since 1992 there have been 11 resident representatives, 12 mission chiefs

**Resident Representatives (from 1992)**
- Willem Middelkoop
- Istvan Szalkai
- Richard Haas
- Mark Horton
- Zuzana Brixiova
- Balazh Horvath
- Neven Mates
- Natalia Koliadina
- Mark Allen
- James Roaf
- Bas Bakker

**Mission Chiefs (from 1992)**
- Grant Spencer
- Peter Hole
- Henri Lorie
- Ishan Kapur
- Thomas Wolf
- Marta de Castello-Branco
- Thomas J. Richardson
- Balazh Horvath
- Neven Mates
- Chris Jarvis
- David Hofman
- Peter Dohlman
Very important has also been the local staff, currently Julia (25 years!), Elena (21 years), Mariya, and Vladimir.
Who interacted with 6 Central Bank Governors

- Tamara Vinnikova (1996–1997)
- Piotr Prokopovich (1998–2011)
- Nadezhda Yermakova 2011–2014)
- Pavel Kallaur (2014-21xx)
Belarus has had two STF and two SBA programs with the IMF.

<table>
<thead>
<tr>
<th>Start date</th>
<th>Type of the program</th>
<th>Amount approved</th>
<th>Amount drawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul 28, 1993</td>
<td>Systemic Transformation Facility</td>
<td>SDR70.1 million</td>
<td>SDR70.1 million</td>
</tr>
<tr>
<td>Jan 31, 1995</td>
<td>Systemic Transformation Facility</td>
<td>SDR70.1 million</td>
<td>SDR70.1 million</td>
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<tr>
<td>Sep 12, 1995</td>
<td>Stand-By Arrangement</td>
<td>SDR196.28 million</td>
<td>SDR50.0 million</td>
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<tr>
<td>Jan 12, 2009</td>
<td>Stand-By Arrangement</td>
<td>SDR2,269.5 million</td>
<td>SDR2,269.5 million</td>
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</tbody>
</table>
But relationship is much closer than suggested by number of programs

- In recent years in particular there has been very close collaboration and high level contacts
Belarus has also received IMF technical assistance and trainings.
Some of the issues have changed

- In 1992, Belarus was still in the ruble zone
- Issue was how to make Belarus macro policies consistent with ruble zone membership
Economic policies should now focus on what needs to be done to make Belarussian products more competitive, and to achieve price stability, without which there cannot be sustainable economic recovery. The first objective requires promoting productive initiatives in a market environment, hence enterprise reform, privatization, and private sector development as well as adjusting energy use to international relative prices—which will inevitably apply soon both in Belarus and Russia. Achieving the second
How has Belarus done? The economy looks much brighter!

Nightlights intensity

In 1992

In 2013
Income inequality has remained low

Gini Index
(from World Development Indicators)

Latest available data in period 1990-97

Latest available data
Life expectancy has improved and compares favorably with other CIS countries

Life expectancy at birth
(years, from World Development Indicators)

Latest available data in period 1990-97

Latest available data
Infant mortality is as low as in Scandinavia and the Netherlands!
If we compare Belarus with its neighbors

- Per capita income is higher than Moldova and Ukraine
- Not as high as Poland and the Baltics
Belarus has grown faster than Ukraine and Moldova
Which is also visible on satellites

Nightlights intensity

In 1992

In 2013
But Belarus has not done as well as Poland

Nightlights intensity

In 1992

In 2013
GDP in Poland has increased more and has been less volatile.
Income convergence toward the more dynamic CEE countries remains a key objective and challenge.

Income and Price Convergence, 1995-2017
(Percent of EU15)

Note: 2000-2017 for BIH, UVK, MNE and SRB
To the next 25 years of IMF-Belarus collaboration!
Thank you