

Belarus and the IMF



KEF 2017

Minsk, November 2017

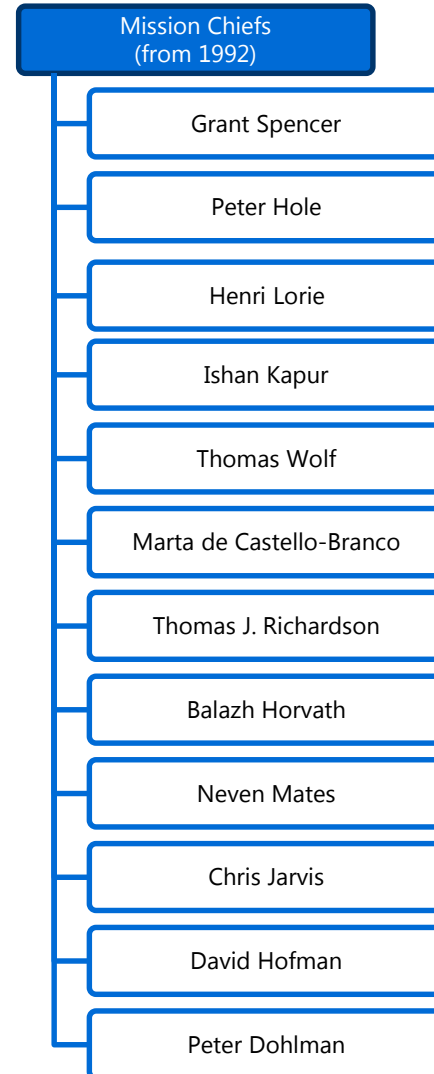
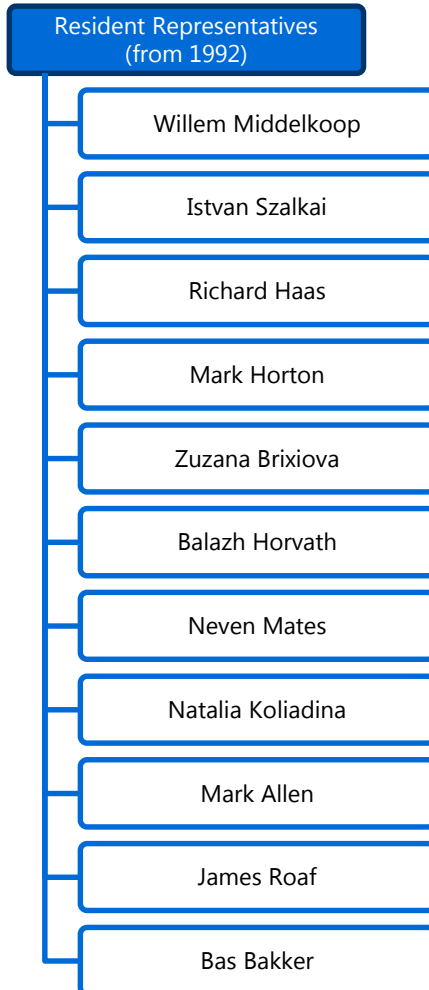
Bas B. Bakker
Senior Regional Resident Representative
for Central and Eastern Europe

Belarus became IMF member on July 10, 1992—25 years ago this year.

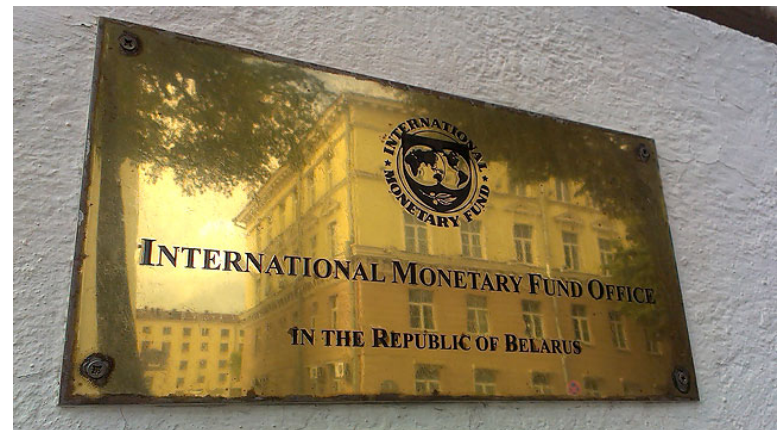
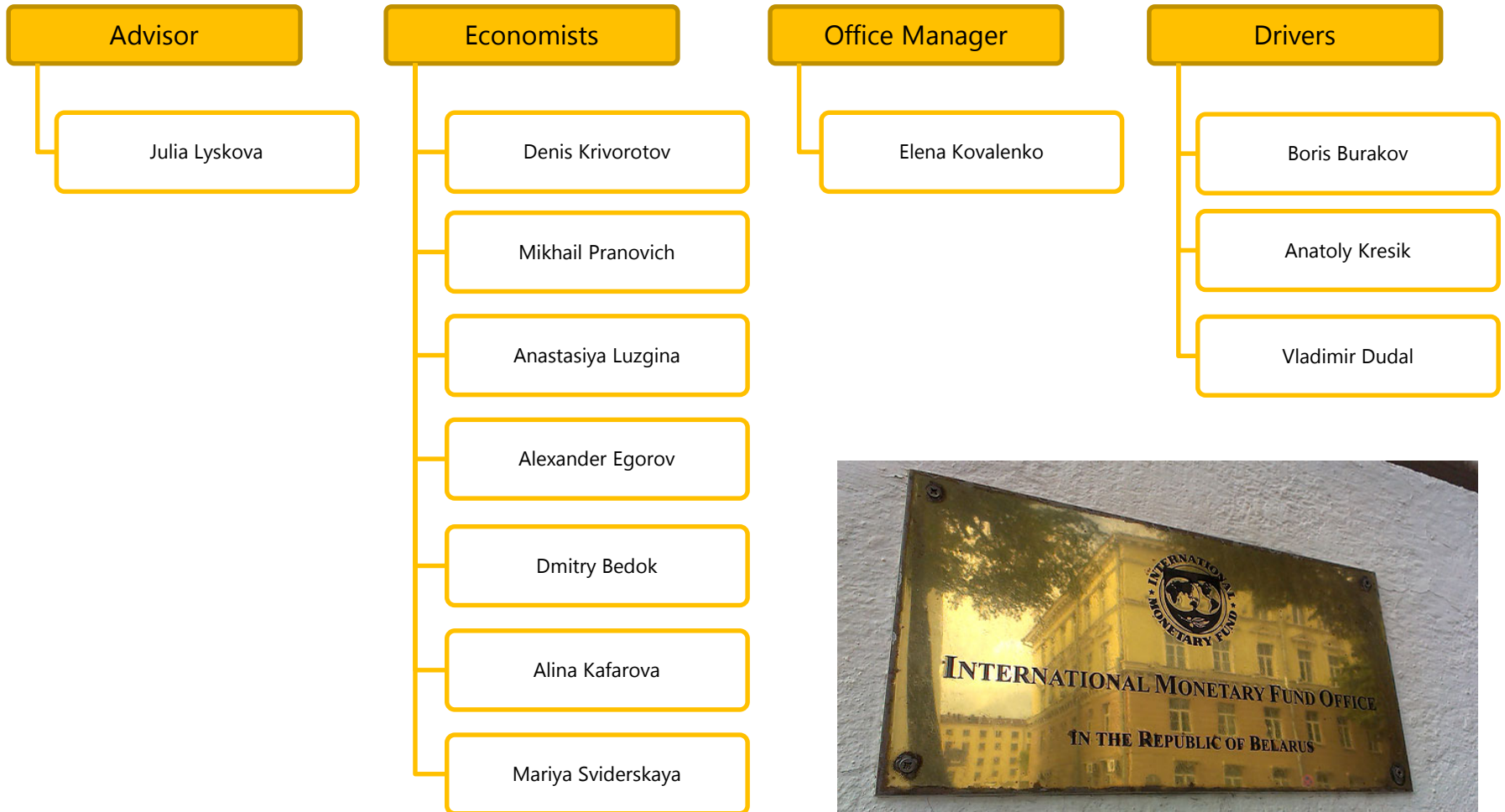


- IMF involvement with Belarus started even before independence
- Late 1991, TA mission of IMF's Central Banking Department. Left Aide-memoire on "Monetary Management and Supporting Central Banking Reforms: Preliminary Findings and Recommendations, and Future Technical Assistance"
- Resident Representative office opened in 1992

Since 1992 there have been 11 resident representatives, 12 mission chiefs



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

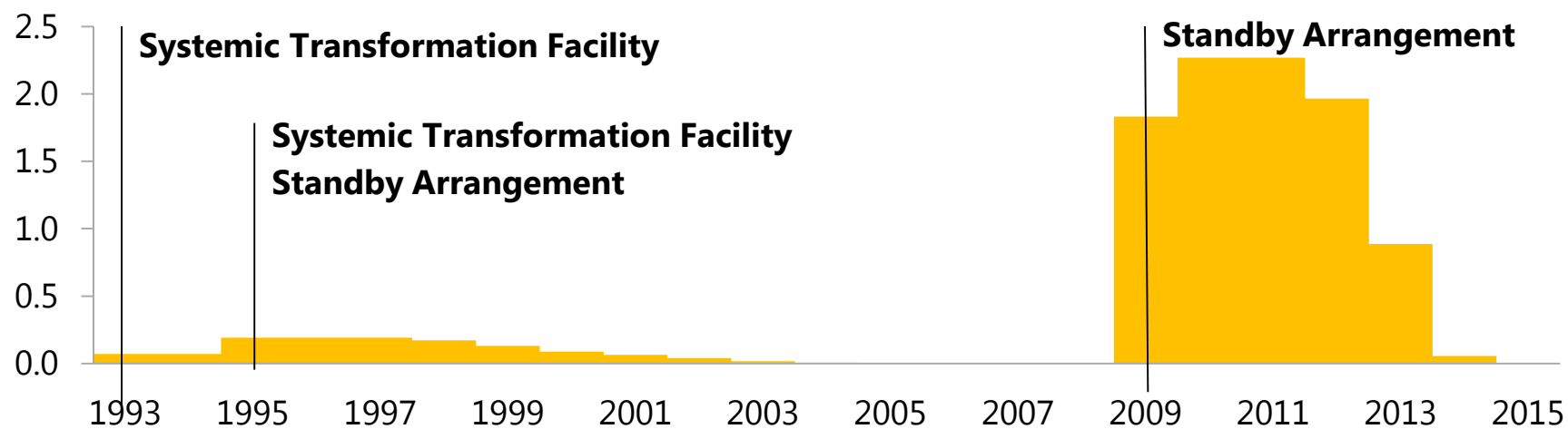


- Stanislav Bogdankevich (1991–1995)
- Tamara Vinnikova (1996–1997)
- Gennady Aleynikov (1997–1998)
- Piotr Prokopovich (1998–2011)
- Nadezhda Yermakova (2011–2014)
- Pavel Kallaur (2014-21xx)

Belarus has had two STF and two SBA programs with the IMF



IMF arrangements with Belarus and credit outstanding
(SDR billion)



Start date	Type of the program	Amount approved	Amount drawn
Jul 28, 1993	Systemic Transformation Facility	SDR70.1 million	SDR70.1 million
Jan 31, 1995	Systemic Transformation Facility	SDR70.1 million	SDR70.1 million
Sep 12, 1995	Stand-By Arrangement	SDR196.28 million	SDR50.0 million
Jan 12, 2009	Stand-By Arrangement	SDR2,269.5 million	SDR2,269.5 million

But relationship is much closer than suggested by number of programs



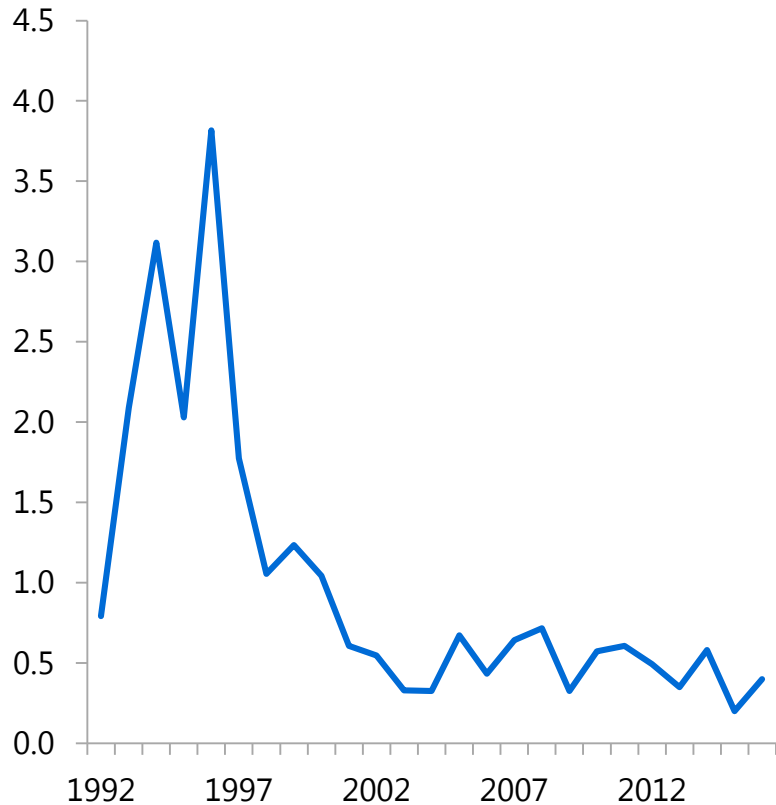
- In recent years in particular there has been very close collaboration and high level contacts



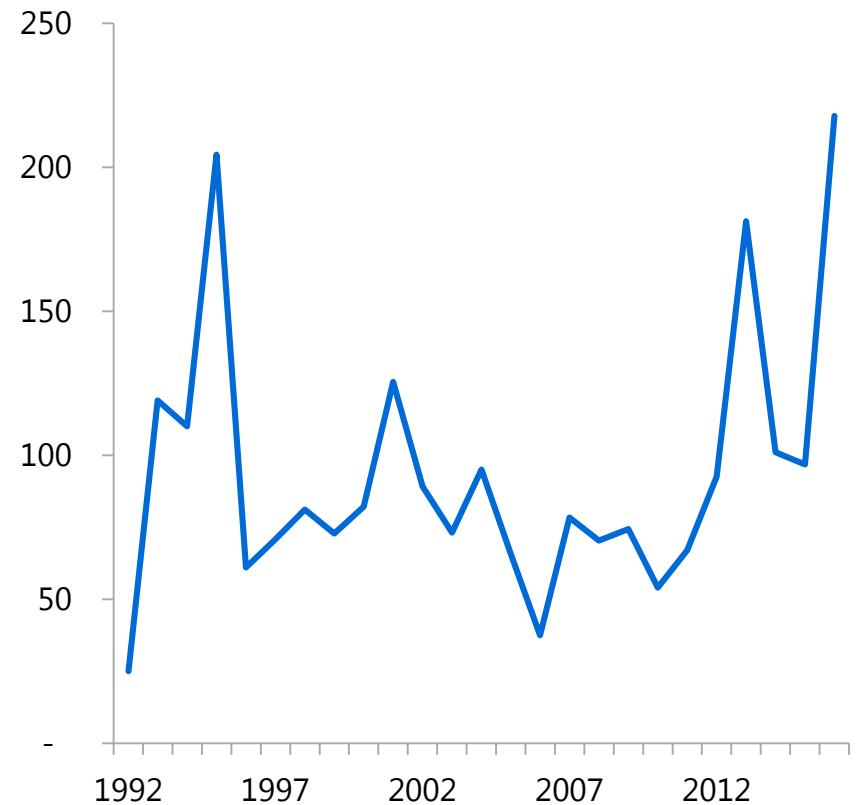
Belarus has also received IMF technical assistance and trainings



Technical Assistance Delivery
(person-years)



Staff Training
(participant-weeks)



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

But others not so much



- From the 1994 Article IV Staff report

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

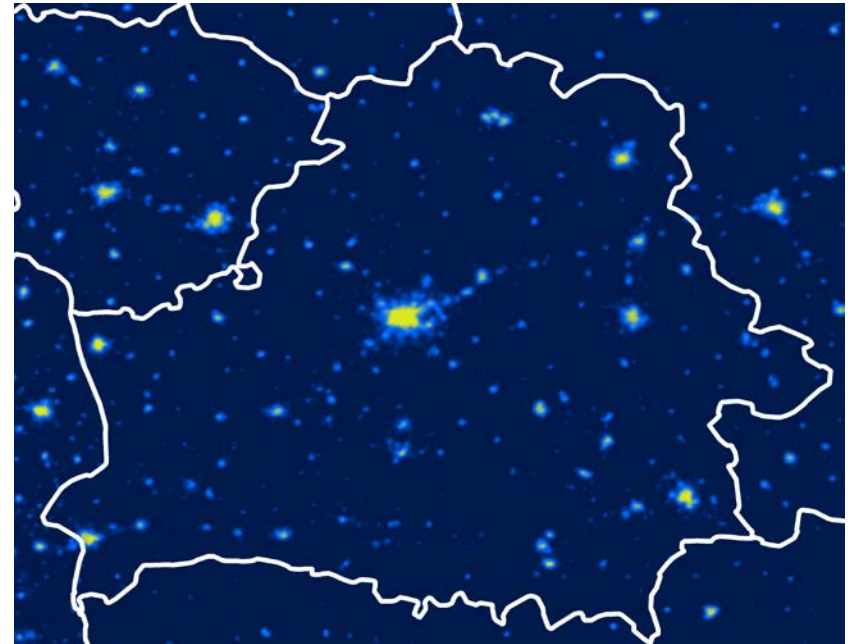
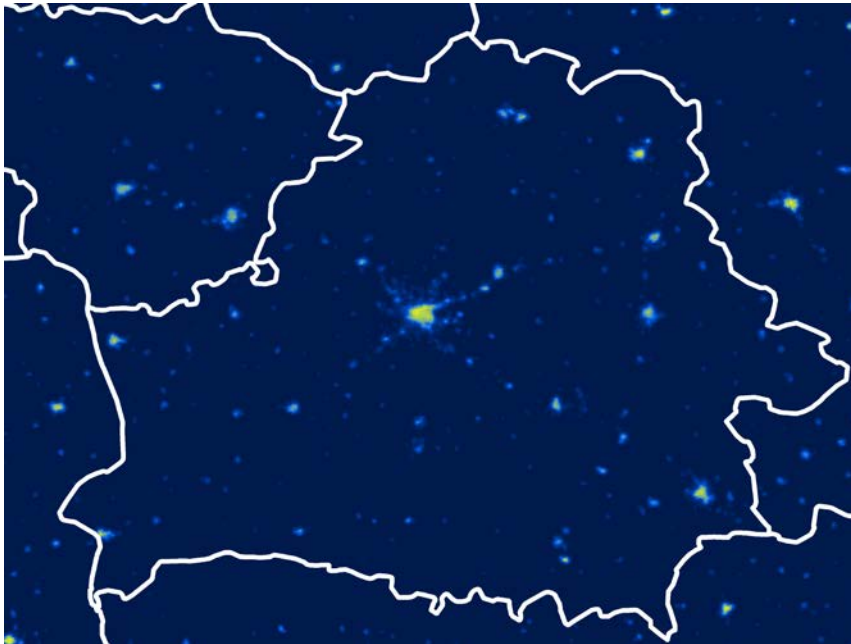
How has Belarus done? The economy looks much brighter!



Nightlights intensity

In 1992

In 2013

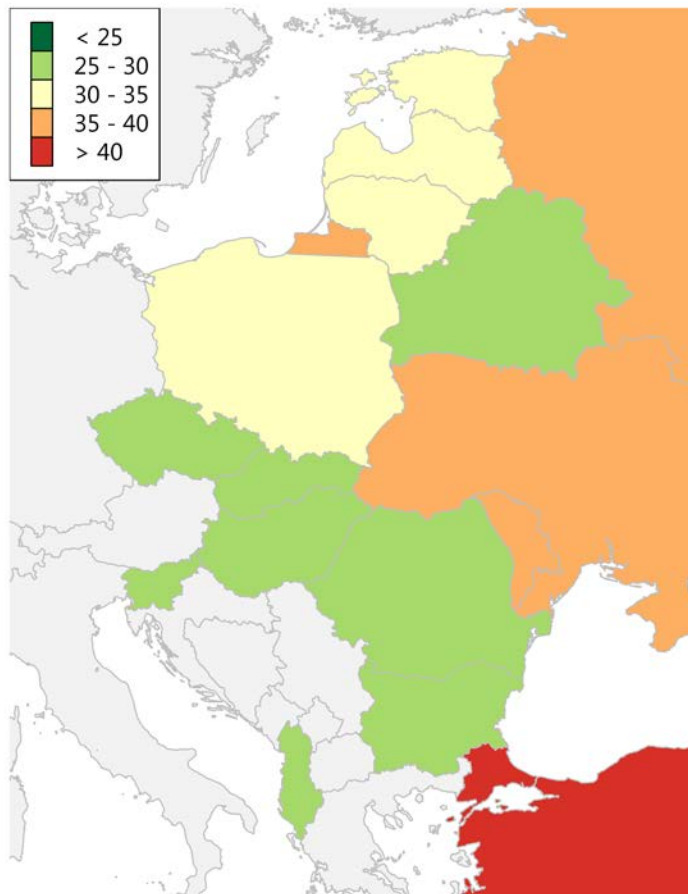


Income inequality has remained low

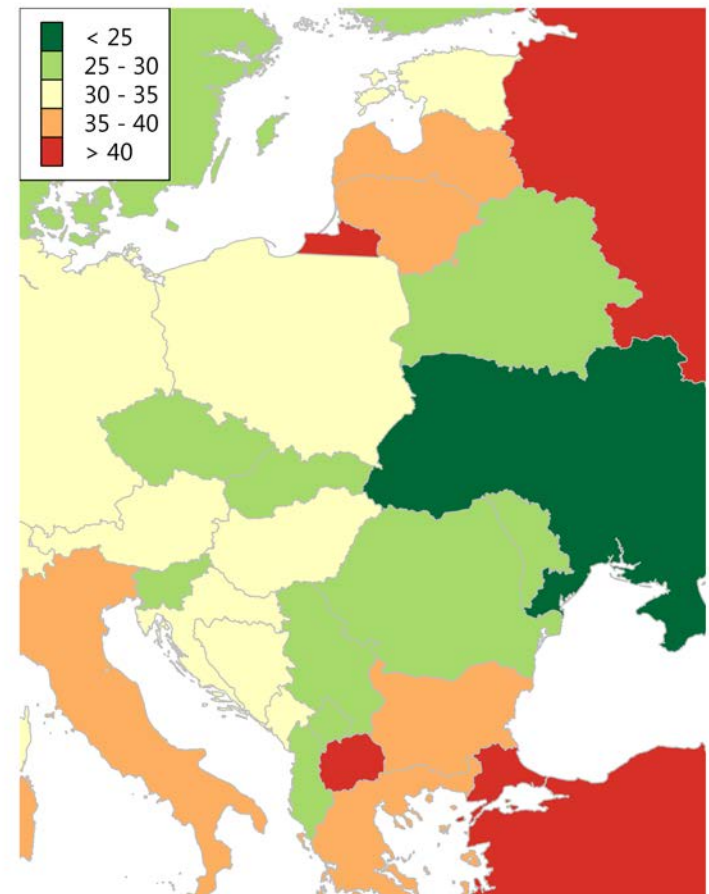


Gini Index (from World Development Indicators)

Latest available data in period 1990-97



Latest available data

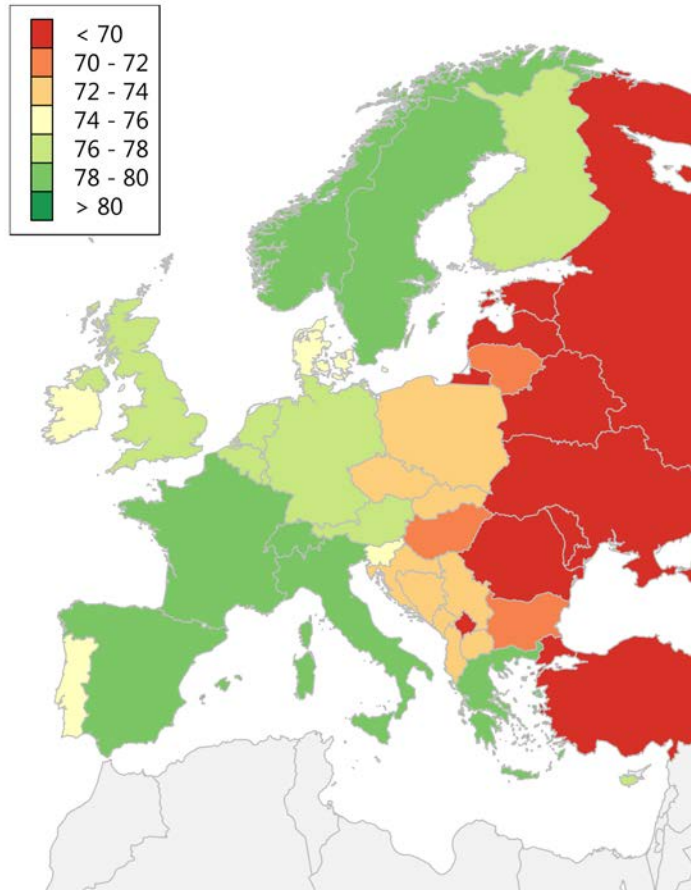


Life expectancy has improved and compares favorably with other CIS countries

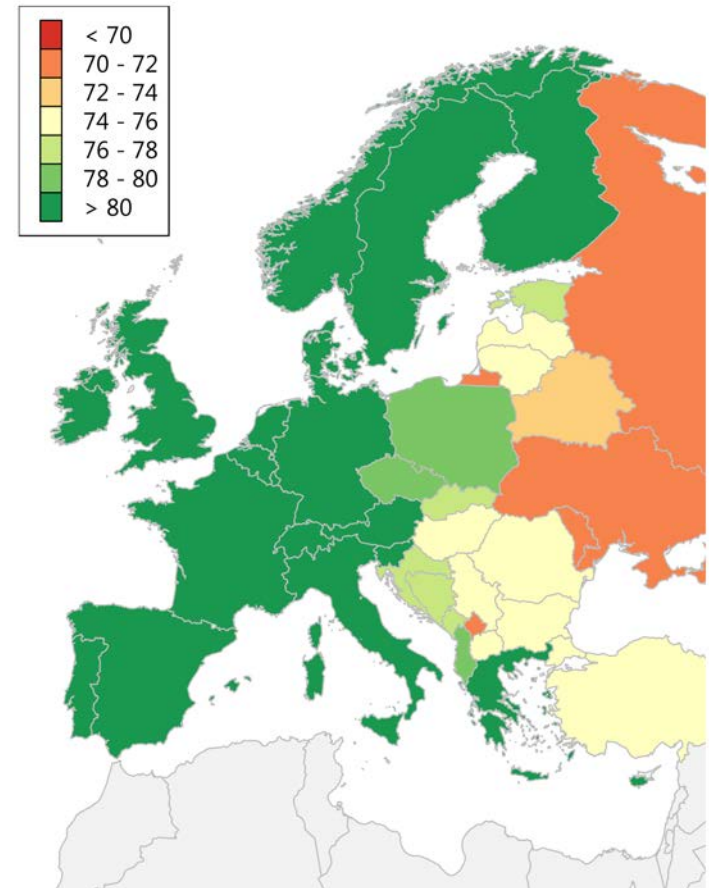


Life expectancy at birth
(years, from World Development Indicators)

Latest available data in period 1990-97



Latest available data

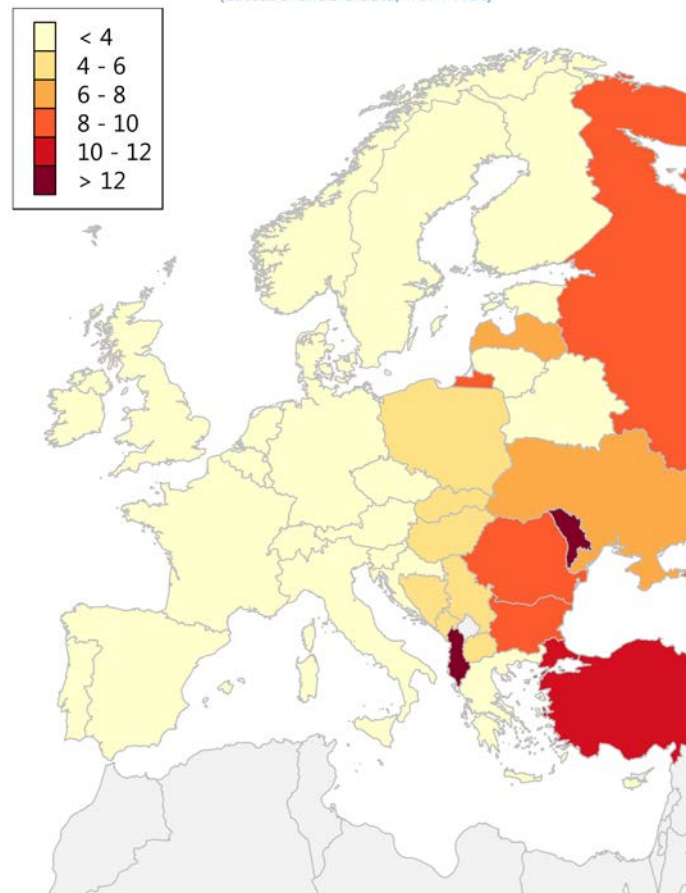


Infant mortality is as low as in Scandinavia and the Netherlands!



Mortality rate of infants (per 1000 live births)

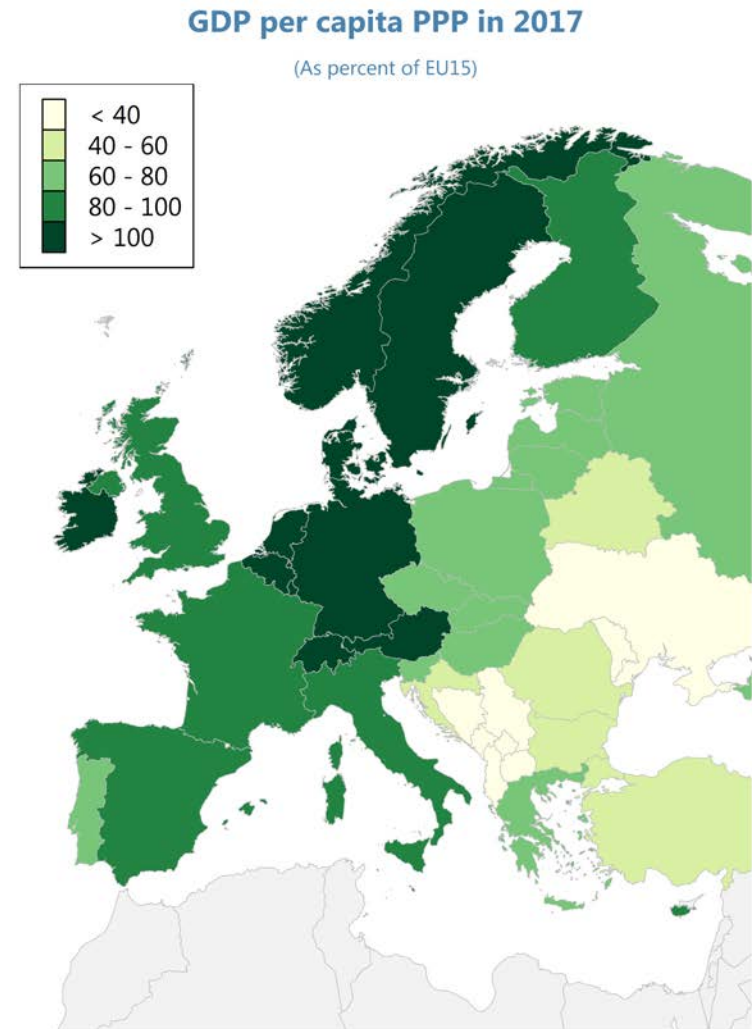
(Latest available data, from WDI)



If we compare Belarus with its neighbors



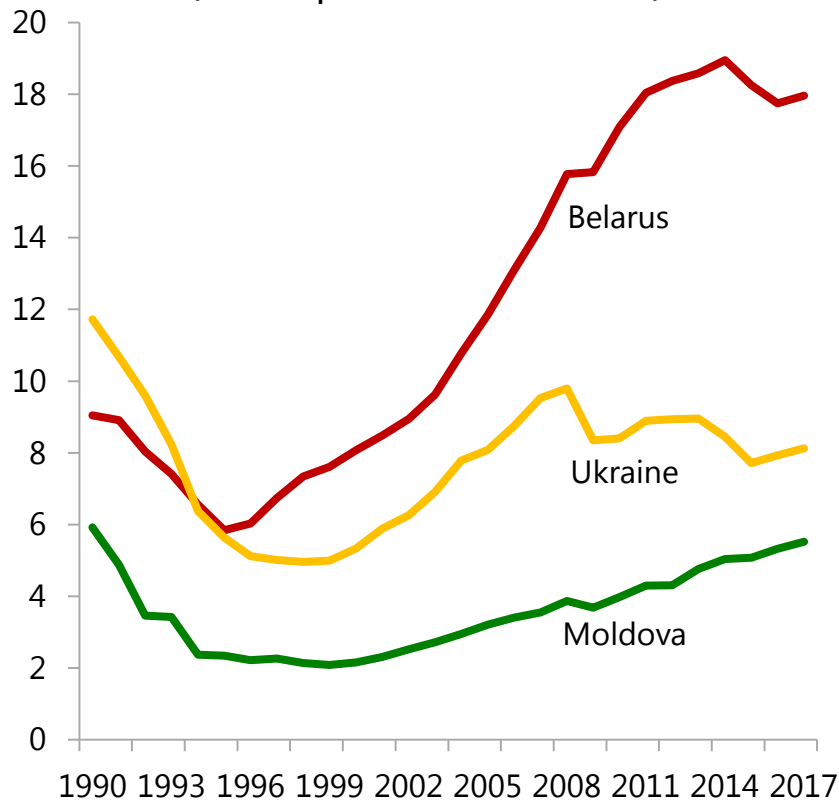
- Per capita income is higher than Moldova and Ukraine
- Not as high as Poland and the Baltics



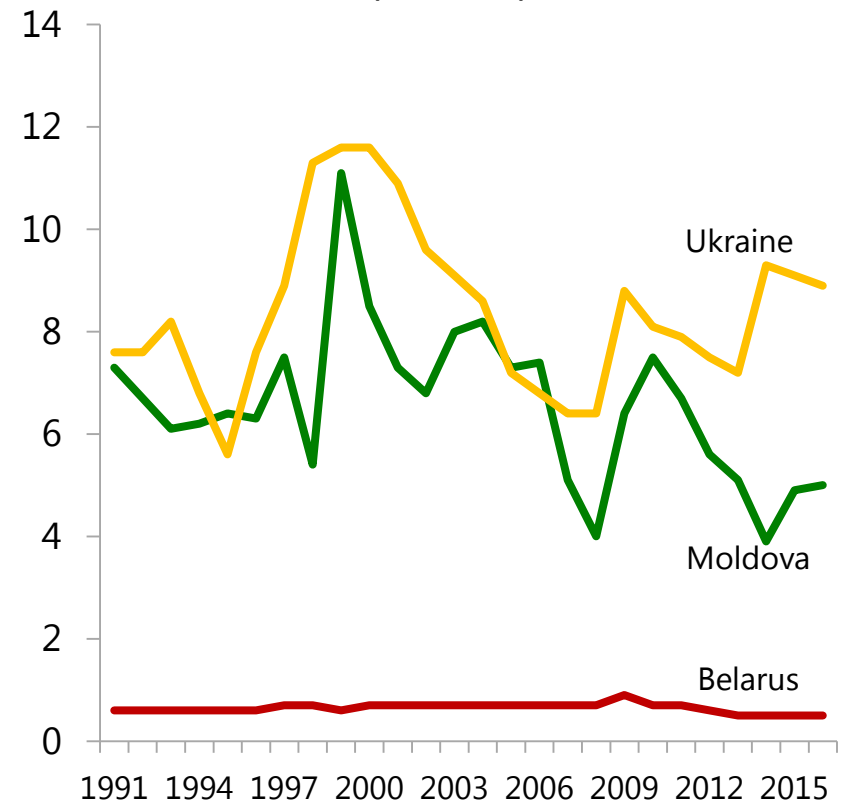
Belarus has grown faster than Ukraine and Moldova



GDP per capita in thousands of 2016 USD
(with updated 2011 PPPs)



Unemployment Rate
(Percent)



Which is also visible on satellites



Nightlights intensity

In 1992



In 2013

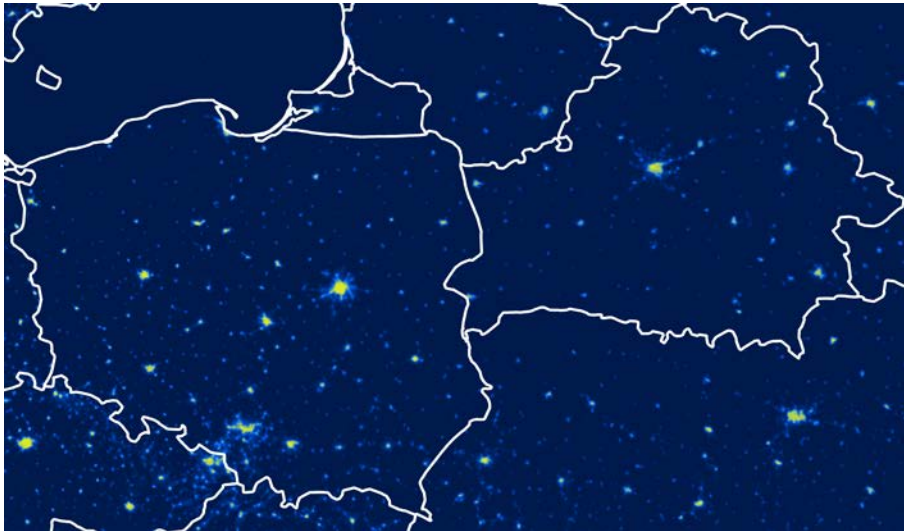


But Belarus has not done as well as Poland

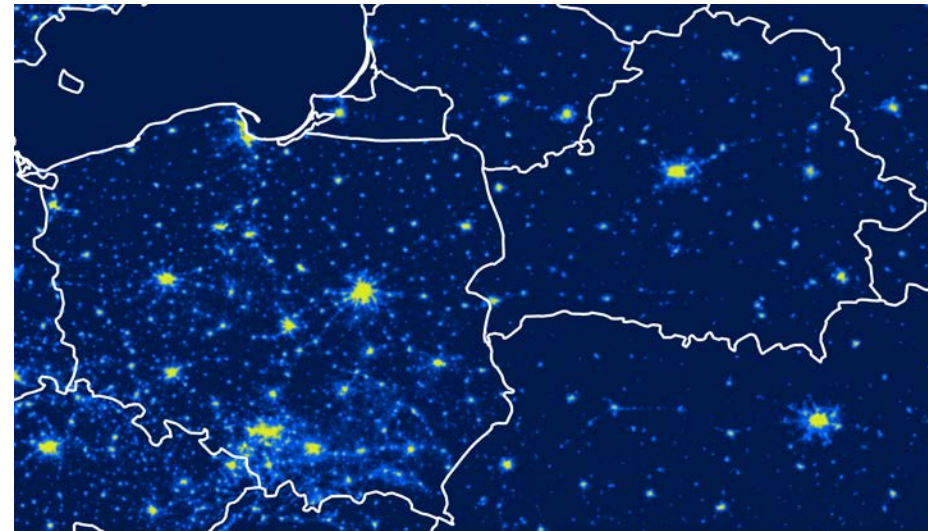


Nightlights intensity

In 1992



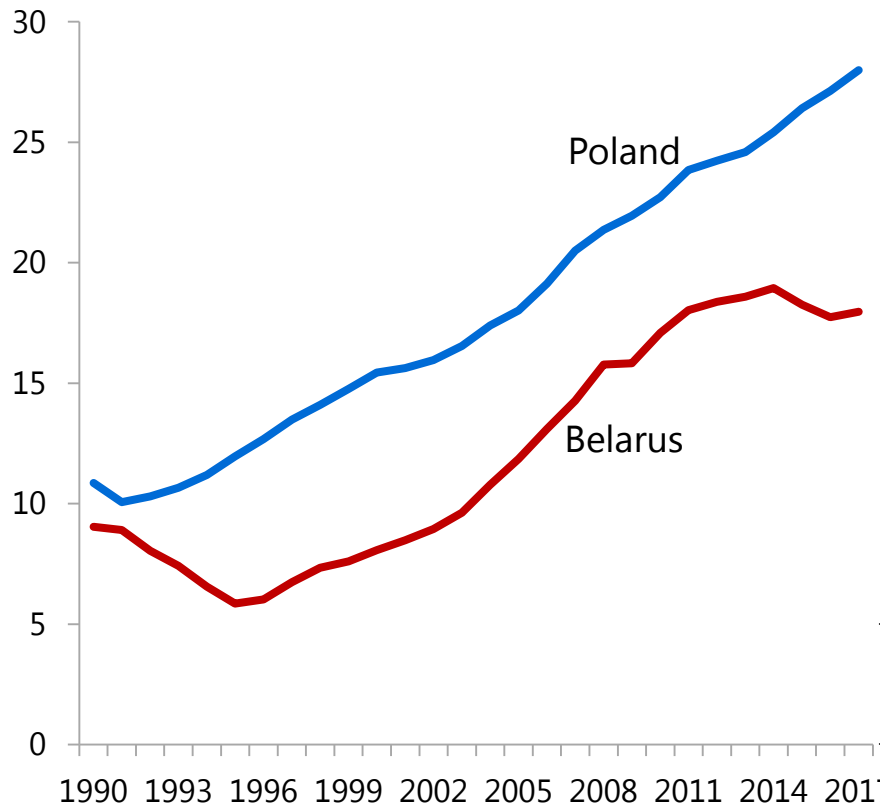
In 2013



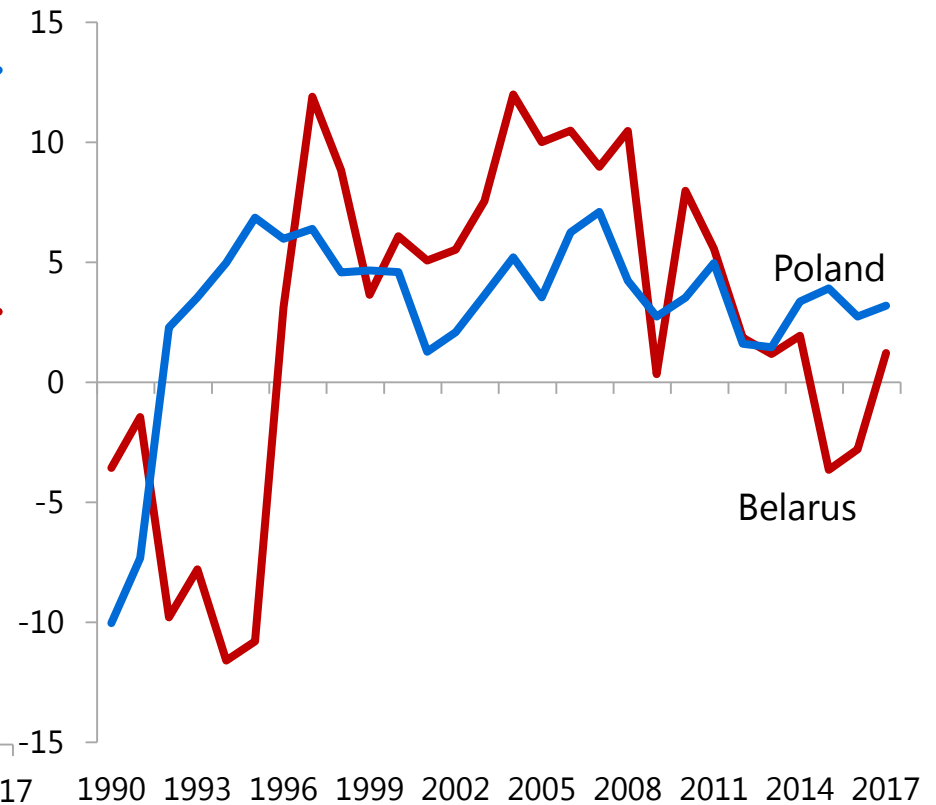
GDP in Poland has increased more and has been less volatile



GDP per capita in thousands of 2016 USD
(with updated 2011 PPPs)



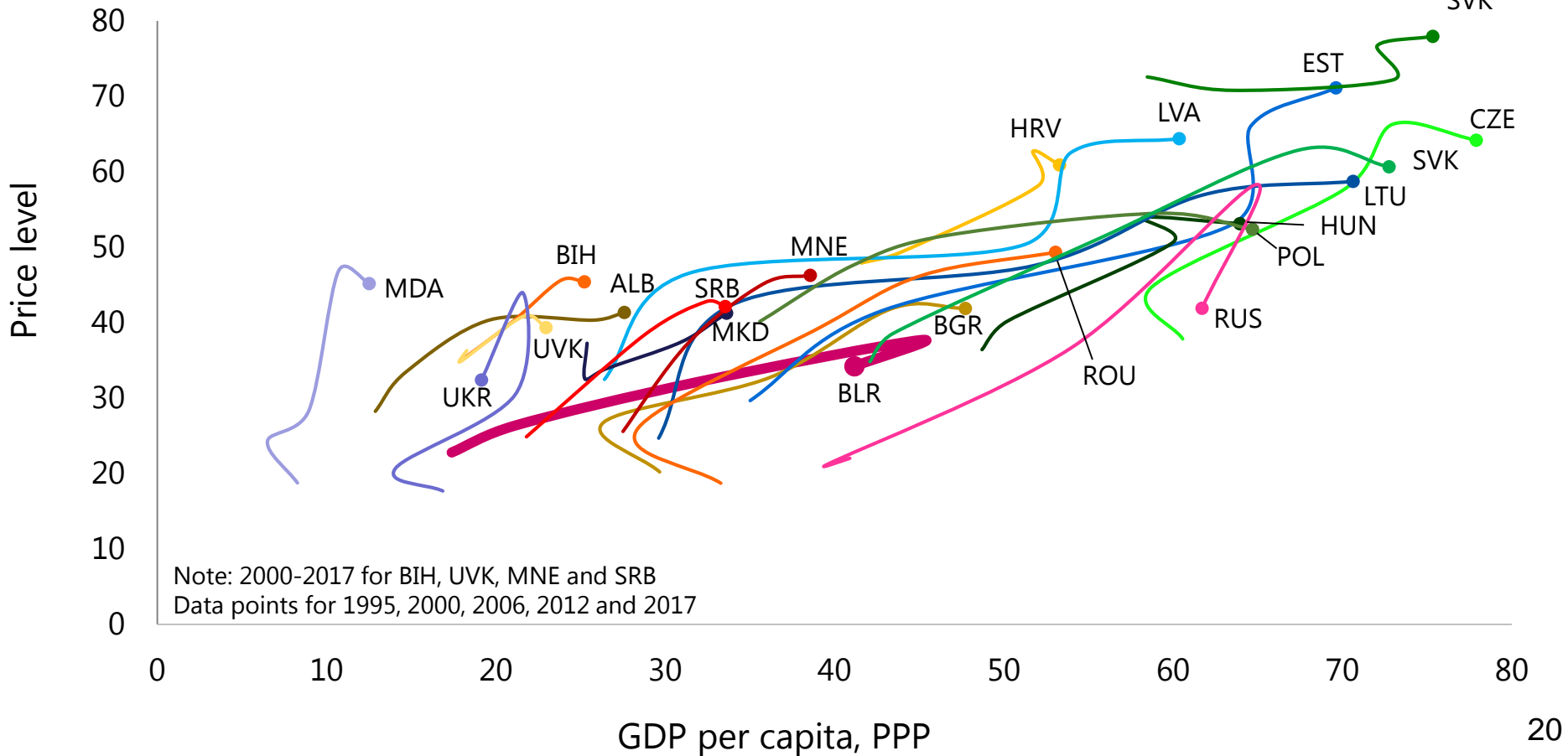
Growth of GDP per capita



Income convergence toward the more dynamic CEE countries remains a key objective and challenge



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



To the next 25 years of IMF-Belarus
collaboration!





Thank you