

Belarus Wants IMF Loan of Up to \$8Bln

By [The Moscow Times](#)

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MINSK — Belarus said Wednesday that it had asked the International Monetary Fund for an emergency loan of up to \$8 billion, hoping to stave off a financial crisis in the ex-Soviet republic.

The government announcement came a day after it froze prices on a number of basic foodstuffs until July 1 and a week after a 36 percent devaluation of the ruble failed to persuade banks and Belarussians to resume trading at official rates.

It signals the growing economic pressure on President Alexander Lukashenko, who spent heavily ahead of elections last year and promised to raise wages sharply while rejecting the need for Western help.

"We ... estimate the size of support [loan that could be provided] between \$3.5 billion and \$8 billion," Prime Minister Mikhail Myasnikovich was quoted by state news agency BelTA as saying. He said the program could last for three to five years.

The IMF issued \$3.5 billion in loans to Belarus from 2009 to 2010 and has sent a mission to assess the situation in the country of almost 10 million people, long shielded by the government's Soviet-style economic policies.

Russia this month rejected an initial plea by Minsk for a direct loan but said it and several other ex-Soviet republics could still give it some joint regional assistance.

They are to decide on that bailout package on June 4, although Lukashenko has warned Russia that Belarus will not sell off state assets cheaply to secure any emergency loan.

The crisis has left Lukashenko with few options. Belarus' foreign exchange reserves have shrunk by a quarter, consumer prices have soared and people have started hoarding staple foods.

In a rare display of discontent, dozens of cars moved slowly along Minsk's main street last week, nearly blocking all traffic and flashing their emergency lights, to protest against gasoline price increases.

"The popularity of President Lukashenko is quickly declining," BNP Paribas economist Yulia Tseplyayeva said in a research note.

Tseplyayeva described Tuesday's freeze of prices of items such as fish, tea, coffee, certain types of sausages, cheese and some fruits and vegetables as a desperate move.

Analysts have said Belarus could descend into the chaos of hyperinflation and further devaluation if the government does not take decisive steps to cut spending, tighten monetary policy and sell off state assets.

Belarus' 2018 Eurobond reached the lowest point in two months on Wednesday, trading 0.27 points down from the previous day. However, the prospect of IMF intervention raised some hope.

Hundreds of people continue to line up at exchange points in central Minsk hoping to convert some of their savings into foreign currency.

"So the prices went up by a ruble and then down by 3 kopeks. They're treating us like idiots," Minsk resident Sergei, 52, said about government efforts to contain prices.

Pressure on Lukashenko has also grown because of increased criticism by the West of the jailing of opposition activists. The European Union toughened sanctions on Belarus on May 23, extending asset freezes and travel restrictions.

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