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Kudrin Faults Belarus' Steps for Economy

By The Moscow Times

July 10, 2011



Belarus isn't taking "sufficient steps" to exit its financial crisis and needs a "market" exchange rate to lift the economy, Finance Minister Alexei Kudrin said.

"The central bank and in part the government aren't taking sufficient steps to come out of the crisis," Kudrin told reporters in London on Friday. Russia "can't always be paying for the sins of the government" of Belarus.

Belarus has been importing "substantially more" than it is exporting, which has led to a current account gap of 16 percent of gross domestic product, according to Kudrin. The government used outside loans, including from the International Monetary Fund, to mask this imbalance instead of gradually devaluing the national currency over the past three years to correct it, he said.

"Negative trends" in all segments of the domestic foreign-currency market are easing after the Belarussian ruble was devalued in May, the Minsk central bank said in a statement on its web site Friday.

The Russia-led Eurasian Economic Community sent $800 million to Belarus on June 21 and may grant $2.2 billion more over the next three years. Belarus' international gold and foreign currency reserves surged $588 million in June to $4.15 billion after receiving a bailout loan, the central bank said in a statement on Thursday.

"Help will only be granted after Belarus itself will begin to take measures to stabilize its own economy," Kudrin said, referring to aid from Russia and the IMF.

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