

Lukashenko Plans Stable Currency

By [The Moscow Times](#)

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MINSK — Belarussian president Alexander Lukashenko will announce new measures to stabilize the currency market next week, aiming to avoid a further devaluation of the ruble, he said Thursday.

"Next week I will personally announce to the people how the government and the national bank will act in this situation. [We have] a month and half or two months to stabilize the currency market," Lukashenko told a meeting of the government and the central bank.

"Avoiding a devaluation of the national currency unit and restructuring the currency market today are the most important goals for the government and the national bank," he said.

Lukashenko did not elaborate what measures he meant but pledged that they will correspond to "objective economic laws."

The former Soviet republic devalued its ruble by 36 percent in May in an effort to plug a hole in the budget, but the black market rate for the ruble is now more than 8,000 per dollar

compared with the official rate of 5,053.

Consumer inflation reached 48.4 percent year on year in July, prompting Belarussians to run weekly protests against the government despite the threat of arrests and fines.

Analysts say Lukashenko, in power since 1994 and once referred to by Washington as "Europe's last dictator," must find \$3 billion by year's end to prop up his heavily indebted economy.

The United States has also added to pressure on Lukashenko by imposing new sanctions on a number of Belarussian firms earlier this month although there have been signs of support from Russia.

The central bank raised its main interest rates in August to 22 percent from 20 percent, the seventh increase so far this year as it struggles to deal with the situation.

On the back of surging inflation and the dropping ruble, there has also been some popular speculation that the central bank might freeze ordinary bank accounts.

"There will be no freeze of households' deposits at banks, we will not accept this measure, we do not need it," Lukashenko said.

A \$400 million bailout loan for Belarus from the Eurasian Development Bank, a joint venture of former Soviet republics led by Russia, might be delayed, Interfax reported.

Dmitry Krasilnikov, managing director for corporate financing at the bank, said Thursday that "there are no set time frames." The Russian government said earlier the second tranche would be released in November.

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