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Minsk to Free-Float Currency

By The Moscow Times

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MINSK — Belarus will lift administrative caps and shift back to free-float currency trade next week, a senior government official said, as the crisis-hit former Soviet country struggles to obtain a loan from the International Monetary Fund.

Belarus maintains a separate official exchange rate, which is tightly controlled by the central bank and stood at 5,725 rubles per dollar in the main trading session on Friday.

Last month Minsk also introduced a free-float trading session, where the ruble stood at 9,010 per dollar on Friday. The two sessions will merge next week to reinstate free-market currency trade, a senior government official said.

"The government along with the national bank made the decision to carry out all currency trading in one session starting Oct. 20 ... with a flexible currency exchange-rate regime," Deputy Prime Minister Sergei Rumas told Belarussian STV channel late on Saturday.

"By no means will the government use administrative measures to influence the currency

exchange regime," he said.

The government curbed free currency trade in March in an effort to rescue the ruble, which nevertheless has fallen 65 percent against the dollar since the beginning of the year as nine-month inflation hit 75 percent.

But the IMF, from which Minsk is seeking a loan of up to $8 billion, has urged it to completely liberalize the currency market. An IMF mission is currently in Minsk and met the Belarussian cabinet on Friday.

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