The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Belarussian Economy Sinks 2 Percent in First Quarter

By The Moscow Times

May 19, 2015



Belarussian President Alexander Lukashenko shakes hands with his Chinese counterpart Xi Jinping during a meeting in Minsk, May 10.

Belarus' economy, slammed by the Russian market's recession and ruble crisis, fell 2 percent in the first three months of the year, according to a report released Tuesday by Moscow's Higher School of Economics (HSE).

In the same period, registered unemployment in Belarus rose by 73 percent and real wages fell by 3 percent, the report said. Industrial production shrank by 2 percent.

Belarus has struggled to come up with innovative measures to stabilize its Russia-dependent economy in the face of an expected recession across the border this year.

In a move hearkening back to the Soviet Union, Belarussian President Alexander Lukashenko in April introduced a "social parasite" law, which levies a $5,000 fine on individuals out

of work for six months or more.

The report said that the law, meant to help the Belarussian budget compensate for revenue losses caused by unemployment, is a telling sign that the state is unable to handle the crisis.

As Russia steps back from providing assistance to Belarus, China has gradually taken its place as Minsk's new patron. In May, China extended $7 billion in credit to Belarussian banks and companies, news agency Reuters reported.

This is not the first time China has come to Belarus' rescue. China also provided Belarus with financial support in 2011-12, after the severe devaluation of Belarussian ruble. However, further cooperation began to fade under the influence of Russia, according to the HSE report.

Original url:
https://www.themoscowtimes.com/2015/05/19/belarussian-economy-sinks-2-percent-in-first-quarter-a46687