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Belarus Eases Currency Controls as Market Stabilizes

By The Moscow Times

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50,000 Belarussian ruble banknote

MINSK — The Belarussian central bank will lift a ban on trading currency outside the official currency exchange, it said in a statement Friday, as it seeks to ease restrictions on the financial and currency markets.

The ban was introduced last year along with other currency controls, as the bank sought to protect the Belarussian ruble from economic turmoil in neighboring Russia prompted by sliding oil prices and Western economic sanctions.

Belarus' currency has stabilized since weakening 25 percent against the dollar at the start of the year, and the central bank has eased the majority of its restrictions, including cutting the rate of mandatory sales of foreign currency income to 30 percent from 40 percent.

In March the Finance Ministry said it would ask the International Monetary Fund for a new

financing package. But this week the Fund said any future agreement would require a strong commitment to deep structural reforms and consistent macroeconomic policies.

President Alexander Lukashenko has run the Belarussian economy along Soviet-style command lines since 1994.

The IMF forecasts the Belarussian economy will contract 2.25 percent this year with inflation at 22 percent, compared with growth of 1.4 percent last year.

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