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Belarus Receives $760 Million Loan From Russia

By The Moscow Times

July 28, 2015



Aleksandr Lukashenko

Belarus on Tuesday received $760 million from Russia under a 10 year loan agreement, the Belarussian Finance Ministry said, as the country seeks to manage large debt repayments amid an economic slump.

Russia is a traditional source of financial aid for Belarus, whose economy is closely tied to its larger neighbor and ally. That connection has been a mixed blessing in recent months, as Russia suffers a recession caused by low oil prices and Western sanctions over the Ukraine crisis. Belarus' economy shrank by 2 percent in the first quarter of this year, while the sharp devaluation of Russia's ruble has dragged down the Belarussian currency and reduced the dollar value of its exports.

President Alexander Lukashenko, who has ruled the country for two decades, said in June that Belarus had lost $3 billion due to Russian economic turmoil following Moscow's annexation

of Crimea in March 2014.

Russia loaned $110 million to Belarus in April and agreed in May to change the terms on a $1.55 billion loan made in 2014. Russian Finance Minister Anton Siluanov was quoted by Reuters in June as saying that Belarus had asked Russia for a further $3 billion loan.

Belarus' external debt was $12.4 billion as of April 1 — or around 17 percent of gross domestic product, according to the country's Finance Ministry. Around $4 billion in repayments on this debt fall due in 2015.

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