



BELARUS: ECONOMIC SUMMARY

KEY TRENDS

- GDP growth slowing down while maintaining macroeconomic stability
- Growth in non-commodities exports of goods and services, keeping a surplus in foreign trade and historically low current account deficit
- Consistent growth of household incomes and investment activity in the economy
- Keeping inflation at a low level
- Significant increase in foreign exchange reserves
- Reduction of the refinancing rate
- Growth of ruble deposits of the population and increase in lending in national currency
- Stability on the domestic foreign exchange market
- Reduction of public debt

MAIN EVENTS

- On January 1, 2019, the new version of the Tax Code entered into force, which provides for several measures aimed at enhancing the entrepreneurial activity, simplifying tax administration, stimulating reinvestment of profit, etc.
- The Law of the Republic of Belarus of January 9, 2019, No. 171-Z “On Amendments and Additions to Certain Codes of the Republic of Belarus” entered into force, which aimed at *decriminalization of economic risks*. The Law canceled the general confiscation of property, increased the size of large and especially large damage, decriminalized several articles, etc.
- On February 1, 2019, the new Law of the Republic of Belarus “On Normative Legal Acts” came into force, according to which the assessment of the *regulatory impact of draft legal acts* affecting entrepreneurial activity has become an obligatory component of the legislative process
- Resolution of the Council of Ministers of the Republic of Belarus dated January 28, 2019 No. 56 was adopted, determining the procedure for conducting *the public discussion of draft legal acts*
- *Export support measures have been expanded* by increasing the forms of foreign trade settlements between organizations - exporters of the Republic of Belarus and buyers of Belarusian products from other countries; introducing the possibility of providing short-term export loans in the amount of up to 100 percent of the value of export contracts, etc.
- *A constructive dialogue continues with the EU and the USA*
- In January 2019, the Republic of Belarus became *a member of the Asian Infrastructure Investment Bank*. AIIB resources can be used for the implementation of projects of the Belt and Road Initiative
- On January 16, 2019, at the EBRD headquarters (London), *the presentation of the first pilot project on the basis of a public-private partnership* for the reconstruction of the M-10 highway section (border of the Russian Federation (Selishche) – Gomel – Kobrin, km 109, 9 - km 195.15) was successfully held and bilateral meetings with interested investors in the format of the “roadshow”
- *Two new agreements were made on financing infrastructure projects* (in the field of utilities and education) as part of the implementation of the Country Partnership Framework for the Republic of Belarus for the period FY2018-2022 for EUR 180 million, *an agreement with the European Bank for Reconstruction and Development* for EUR 15.5 million in the field of water supply, as well as *two agreements with the European Investment Bank* for EUR 110 million in the field of transport and EUR 66 million in the utility sector
- In June 2019, two *memorandums of understanding* were signed with the EBRD on the issues of the privatization assistance of Vitebskdrev OJSC and the establishing of the Foreign Investment Council
- For the first half of 2019, the Government of the Republic of Belarus and the National Bank *in full and a timely manner met external and internal obligations* in foreign currency for USD 2 billion
- *International rating agencies affirmed the long-term credit ratings of the Republic of Belarus*: Standard & Poor's – at level B (confirmed in October 2019), Fitch Ratings – at level B (confirmed in June 2019). The outlook on the ratings is stable. In OECD classification of country risks, published in June 2019, Belarus kept the position that was improved in 2018
- *RAEX-Europe agency increased the credit rating of Belarus* (in July 2019) in foreign currency from level B- to level B, in national currency - confirmed the rating at level B, the outlook is positive on both ratings

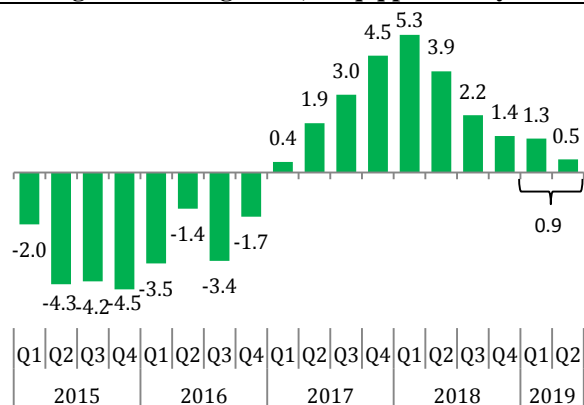


GROSS DOMESTIC PRODUCT

In the 1st half of 2019, the growth of the Belarusian GDP amounted to 0.8% (Figure 1). The robust economic growth was facilitated by a balanced fiscal and monetary policy, prudent measures of monetary policy, as well as several structural measures.

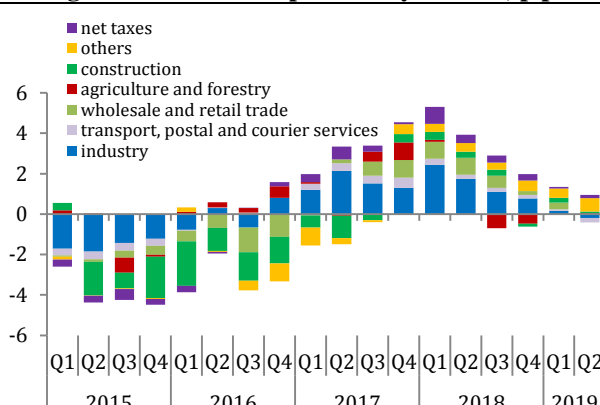
The main positive contribution to the economic growth in the 1st half of the year was made by the IT sector (an increase of 9.1% and a contribution to GDP of 0.5 percentage points), wholesale and retail trade (1.7% and 0.16 percentage points, respectively) construction (3.1% and 0.14 percentage points, respectively). The fastest growth in the manufacturing industry was observed in the production of vehicles, electrical equipment, fabricated metal products, wood and paper products. According to the half-year results, transport activity made a negative contribution (decrease by 1.2%, contribution to GDP is -0.1 percentage points) and certain types of other services (Figure 2).

Figure 1. GDP growth, % q/q previous year



Source: <http://www.belstat.gov.by>

Figure 2. GDP decomposition by sectors, p.p.

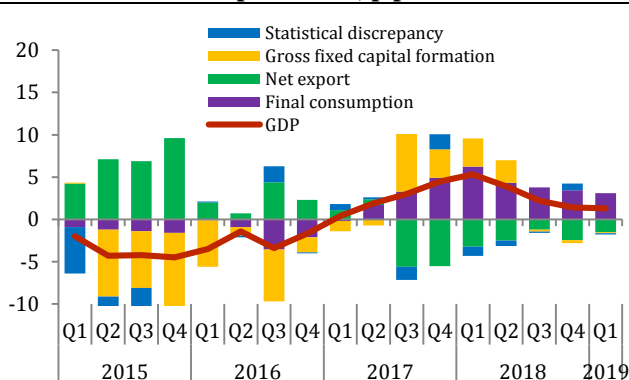


Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy

The main source of GDP growth is the robust domestic demand (Figure 3, 4). Improvement of economic sentiments of legal entities promoted investment activity. The increase in investment in fixed assets for several years has been at the level of about 5%, as a result, their share in GDP (annualized) reached a maximum of 2 years - 21.1%. Foreign direct investments into the real sector of the economy increased to USD 1.5 billion (annualized).

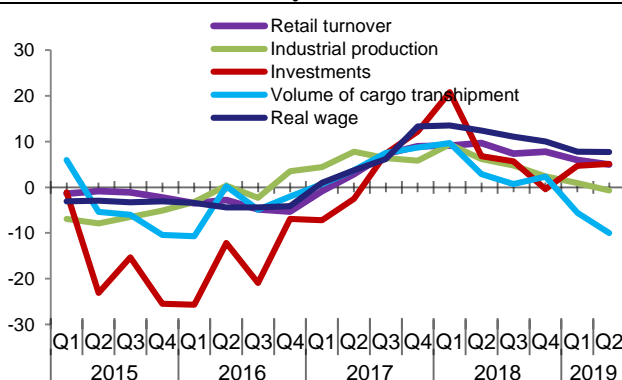
The growth rate of real disposable income remained at 7%, with an outpacing growth in real wages (7.8%) and continued growth in consumer lending - 14.0% (as of August 1, 2019, compared to January 1, 2019). The growth of the population's welfare led to an increase in consumer activity. In the 1st half of 2019, retail trade turnover grew by 5.5% y/y, paid services to the population - by 5.1% y/y. Meanwhile, the population is decreasing consumption expenditures of the received incomes, and increasing savings.

Figure 3. Decomposition of GDP growth by expenditures, p.p.



Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy

Figure 4. Domestic demand indicators, % q/q previous year



Source: <http://www.belstat.gov.by>



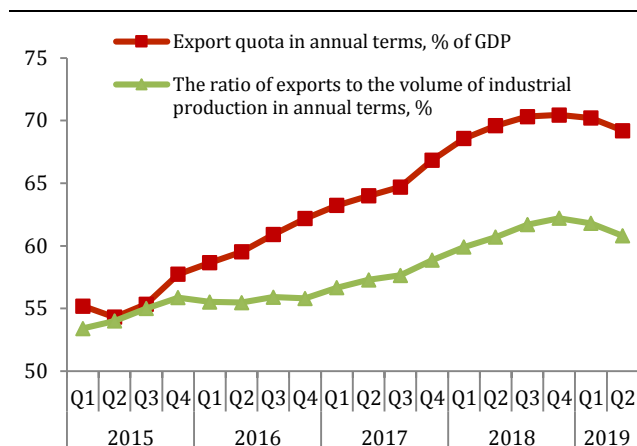
EXTERNAL TRADE

In the 1st half of 2019, foreign trade decreased, including in relation to GDP ([Figure 5](#)).

The export of goods decreased by 4.4% y/y in value terms. The decrease in exports was due to a decline in exports of energy products by 19.5% y/y.

Exports of non-energy goods and services are growing - by 0.5 and 3.5%, respectively. Sales in foreign markets of basic positions of the Belarusian export grew, including potash and mixed mineral fertilizers, spare parts for tractors and automotive equipment, cars, cheese and curd, butter, timber, and ferrous metals.

Figure 5. Indicators of external demand, %



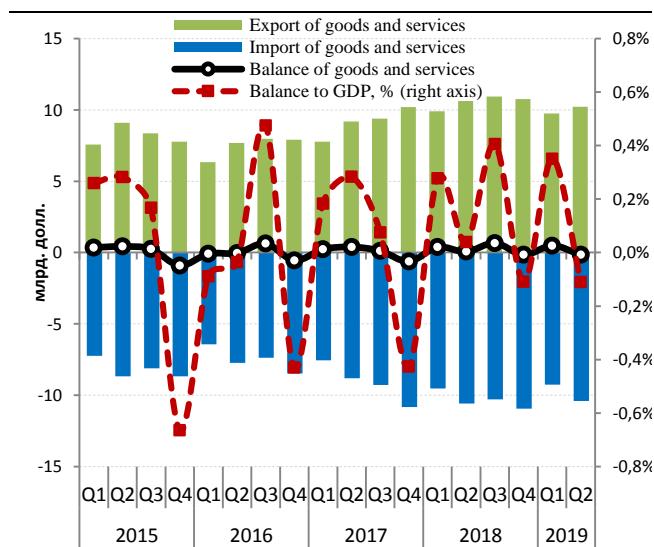
Source: [calculations of the Ministry of Economy](#)

The slowdown in industrial production and consumer demand led to a decrease in the value of imports of goods by 2.7% y/y.

The improvement in the balance of export-import operations of the Republic of Belarus was facilitated by the growth of export of services – by 3.5%. Telecommunication, computer and information services made the main contribution to export, their export increased by 23.1% and their share in the total volume of export of services reached 24.1%. The export of other business services is actively developing, their export increased by 13.7%.

The surplus of foreign trade in goods and services amounted to USD 310 million in the 1st half of 2019 (1.1% of GDP), which was by USD 120.5 million higher than in the same period of 2018 ([Figure 6](#)).

Figure 6. External trade



Source: <http://www.nbrb.by>, <http://www.belstat.gov.by>

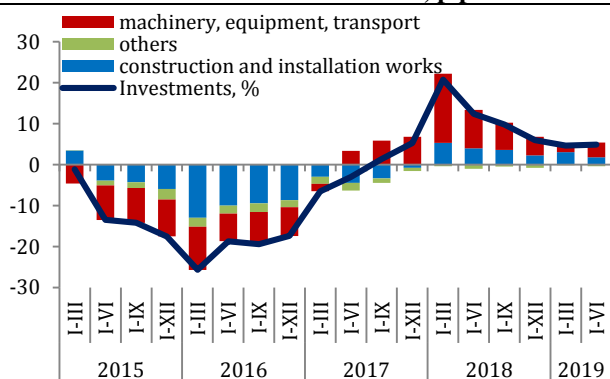


INVESTMENTS

The growing trend in investment activity, which was formed in the previous two years, continued in the 1st half of 2019. Investments in fixed assets grew by 4.9% compared to the same period in 2018, which is almost 5 times higher than the increase in GDP. The recovery became possible due to several factors. First, the expectations of economic agents improved, and second, the macroeconomic situation stabilized (lower inflation, equilibrium in the foreign exchange market, intensification of economic activity).

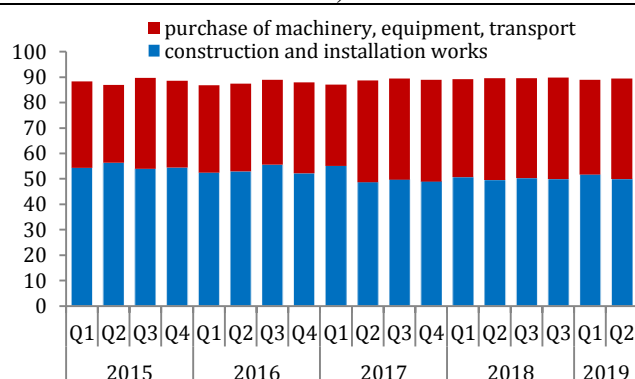
Despite a slight drop in the first quarter of 2019, the renewal of the active part of the fixed capital remained the driver of the investment growth (Figure 7). Their share in the structure of investments in fixed assets was increasing (Figure 8), which proved qualitative changes in investment spending and influenced the acceleration of the technological renovation of production.

Figure 7. The contribution to the growth of investments in fixed assets, p.p.



Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy

Figure 8. Technological structure of investment in fixed assets, %

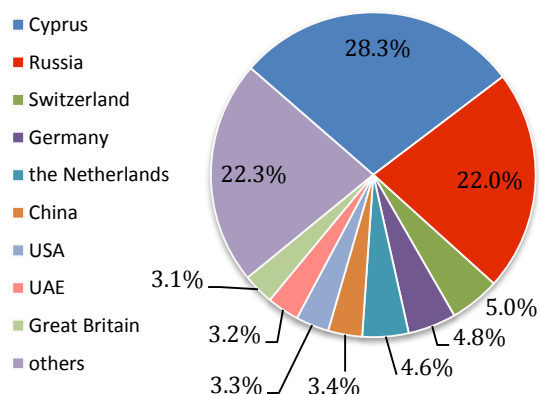


Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy

The Government of the country worked consistently to create a favorable investment and business climate. In the Doing Business 2019 ranking, Belarus ranked 37 out of 190 countries in ease of doing business.

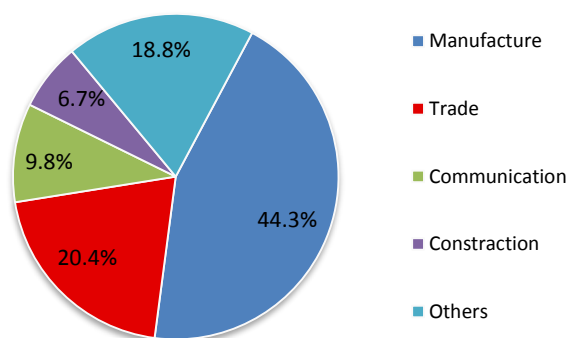
In the 1st half of 2019, USD 5.1 billion were invested in Belarus, including USD 3.9 billion of direct investments. The volume of FDI on a net basis amounted to USD 1.1 billion in the 1st half of 2019. The main contributor in January-June of 2019 was the Republic of Cyprus (Figure 9, 10).

Figure 9. FDI inflows by country in the 1st half of 2019¹



Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy
1 Excluding banks.

Figure 10. FDI inflows by industry in the 1st half of 2019¹



Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy



BALANCE OF PAYMENTS AND INTERNATIONAL RESERVE ASSETS

The balance of payments of the Republic of Belarus in annual terms (total for the previous four quarters) amounted to USD 1.2 billion in the second quarter of 2019, the current account deficit decreased to USD 0.2 billion (Figure 11, 12).

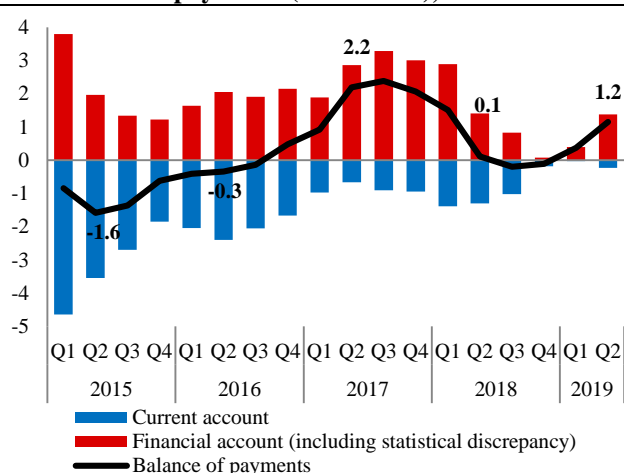
In the 1st half of 2019, the balance of payments of the Republic of Belarus was formed with a surplus of USD 0.9 billion (3.1% of GDP). The negative balance of the current account remained almost unchanged (-2.7% of GDP against -2.6% of GDP in the first half of 2018).

The surplus of foreign trade in goods and services decreased from 1.5% to 1.1% of GDP due to a decrease in the surplus for non-energy goods, and the surplus of secondary income – from 2% to 1.7% of GDP. The improvement in primary income from -6.2% to -5.6% of GDP was due to a decrease in payments to foreign investors.

The inflow of financial resources to the Republic of Belarus from direct foreign investments amounted to 4% of GDP against 3.9% in the 1st half of 2018. The Development Bank of the Republic of Belarus placed Eurobonds in the 1st half of 2019 in the amount of USD 0.6 billion.

In general, the inflow in the financial account of the balance of payments of the Republic of Belarus amounted to USD 1.4 billion (4.9% of GDP), while in the same period of 2018 the net attraction amounted to USD 0.1 billion (0.3% of GDP). Low volumes of net capital attraction in the 1st half of 2018 were caused by the scheduled repayment of external liabilities.

Figure 11. Dynamics of the main indicators of the balance of payments (annualized), USD billion



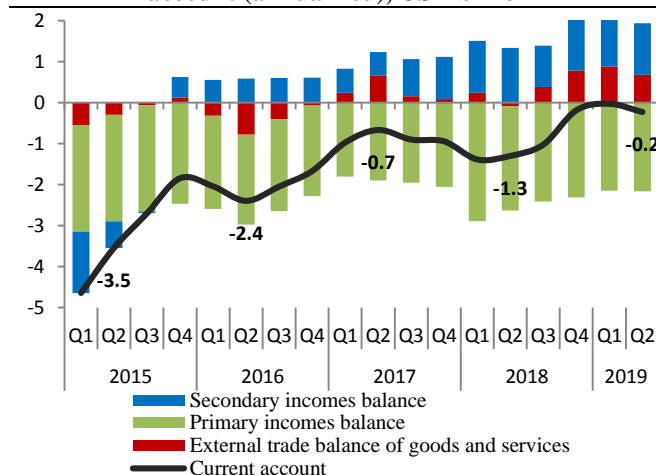
Source: <http://www.nbrb.by>

As of July 1, 2019, the international reserve assets amounted to USD 8.3 billion, covering 2.4 months of import of goods and services (Figure 13).

In the 1st half of 2019, the level of reserves increased by USD 1.1 billion, mainly due to the proceeds from the sale by the Ministry of Finance and the National Bank of bonds denominated in foreign currency, as well as the positive balance of the purchase and sale of foreign currency by the National Bank in the domestic currency market.

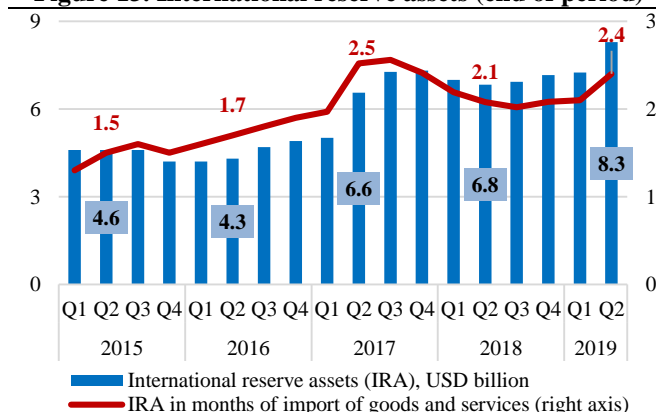
The structure of the international reserve assets is largely dominated by foreign currency assets (67.2% as of July 1, 2019) and monetary gold (26.5%).

Figure 12. Dynamics of the main items of the current account (annualized), USD billion



Source: <http://www.nbrb.by>

Figure 13. International reserve assets (end of period)



Source: <http://www.nbrb.by>



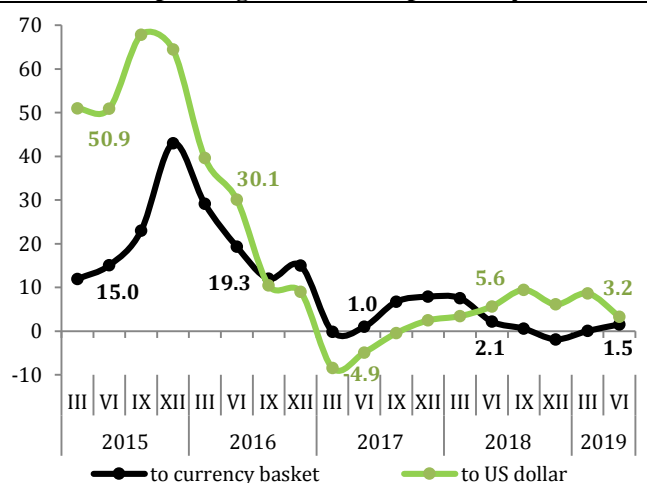
DOMESTIC CURRENCY MARKET AND CURRENCY LIBERALIZATION

In the 1st half of 2019, the situation in the domestic foreign exchange market was determined by a net supply of foreign currency. As a result, the dynamics of the exchange rate of the Belarusian ruble was stable. The value of the currency basket (calculated at the average official exchange rates of the Belarusian ruble against USD, Euro, and the Russian ruble) increased by 1.5% in June of 2019 (Figure 14).

The exchange rate policy was conducted in a floating regime. The real exchange rate was near its equilibrium level.

In the 1st half of 2019, the share of the foreign currency component in the assets and liabilities of the banking sector continued to decline in 2018 (Figure 15). The share of foreign currency deposits decreased from 65.6 to 63.8% as of July 1, 2019. The share of banks' claims on the economy in foreign currency decreased over the period from 51 to 48.8%.

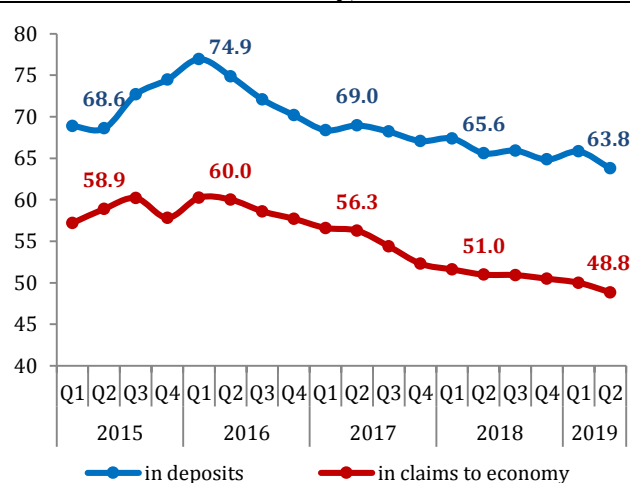
Figure 14. The growth rate of the weighted average official rate of the Belarusian ruble, % month to corresponding month of the previous year



* the basket of foreign currencies was calculated using weights of foreign currencies as of December 2017.

Source: <http://www.nbrb.by>

Figure 15. The share of the foreign currency component in banks' deposits and banks' claims to economy, %



Source: <http://www.nbrb.by>

Aiming to liberalize foreign exchange relations, the National Bank adopted Resolution No. 612 of the Board of the National Bank of the Republic of Belarus dated December 19, 2018 “On Some Issues of Conducting Currency Transactions” (effective from March 1, 2019). It allows resident individuals to open current (settlement) bank accounts in foreign banks without the permission of the National Bank; and introduced the registration procedure for foreign exchange operations related to the movement of capital for resident legal entities, for which permission was previously required from the National Bank.

A draft Law of the Republic of Belarus “On Amending the Law of the Republic of Belarus “On Currency Regulation and Currency Control” has been prepared, which provides for the waiving of restrictions on opening accounts in foreign banks by resident legal entities, as well as on foreign exchange transactions related to capital flows of resident individuals. In addition, the aforementioned project provides for the revocation of restrictions concerning the terms of repatriation of foreign currency earnings and the establishment of terms for the return of foreign currency earnings in foreign trade agreements.

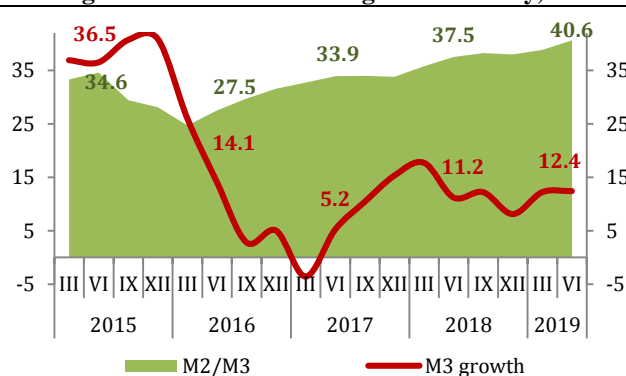


MONETARY POLICY

To achieve the main goal of the monetary policy – to reduce inflation – the National Bank of the Republic of Belarus in 2018 continued to control the money supply using primarily open market operations to regulate banking liquidity. The average broad money supply increased by 12.4% y/y in June 2019, the increase is consistent with the intermediate target set for the year (9–12%) (Figure 16). The growth of the average domestic money supply by 21.7% y/y in June 2019 (21.6% in December of 2018) reflects the measures taken for the de-dollarization of the economy.

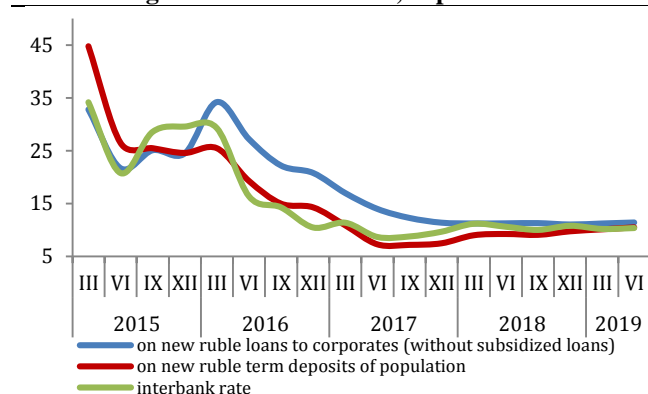
The interest rate policy was in line with the current economic situation and was aimed at creating conditions for achieving the inflation target. Given the factual and projected inflation, the refinancing rate and rates for constantly available and bilateral liquidity support operations did not change and remained at 10 and 11.5% per annum, respectively. To ensure the symmetry of the interest rate corridor for liquidity regulation instruments relative to the refinancing rate, the rate on constantly available liquidity withdrawal operations was increased from 8 to 8.5% per annum (from February 13, 2019). The average interest rates on new loans to legal entities in June 2019 were 11.4% per annum (in December 2018 - 11.1% per annum), new term deposits of individuals - 10.5% per annum (in December 2018 - 9.8% per annum) (Figure 17).

Figure 16. Increase in average broad money, %



Source: <http://www.nbrb.by>, calculations of the National Bank

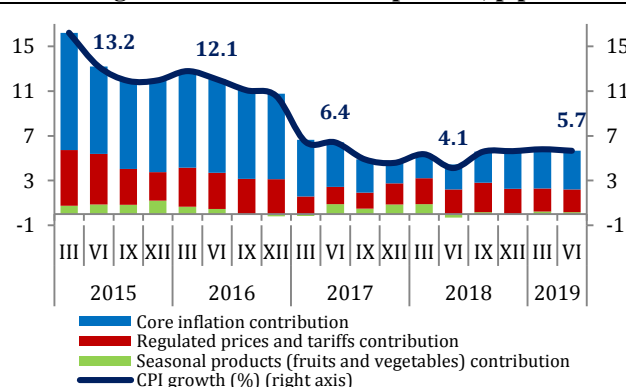
Figure 17. Interest rates, % per annum



Source: <http://www.nbrb.by>

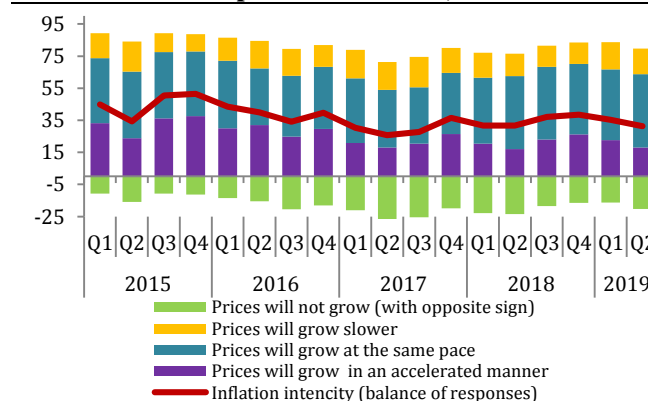
In the 1st half of 2019, the factual inflation was slightly higher than the target set at no more than 5%. The annual increase in consumer prices in June 2019 amounted to 5.7% compared to 5.6% in December 2018 (Figure 18). Two key factors contributed most to the increase in consumer prices: the unfavorable market conditions for agricultural products, as well as a significant increase in fuel prices. Inflation expectations of economic agents remained at a high enough level and also put pressure on consumer price dynamics. (Figure 19).

Figure 18. Inflation decomposition, p.p.



Source: <http://www.nbrb.by>

Figure 19. Inflation expectations for 3 months, share of respondents' answers, %



Source: <http://www.nbrb.by>, calculations of the National Bank



BANKING SECTOR

As of July 1, 2019, the banking sector of the Republic of Belarus included 24 operating banks. 19 banks had foreign capital, from which 14 banks had the share of foreign investors over 50% in the authorized fund, including 4 banks with 100% foreign capital. There were 5 representative offices of foreign banks in Belarus (Russian – 2, Chinese – 1, German – 1, and a representative of the Interstate Bank).

In the 1st half of 2019, the total registered authorized fund of operating banks increased by 76.1 million rubles and amounted to 5,528.6 million rubles, which is equivalent to about USD 2.7 billion, as of July 1, 2019. The assets of operating banks amounted to 73,961.9 million rubles (an increase of 0.4% in January-June 2019). The share of assets in foreign currency decreased from 55.2% as of January 1, 2019, to 51.7% as of July 1, 2019. The volume of the regulatory capital of operating banks amounted to 10,694.9 million rubles as of July 1, 2019, having increased by 21.7 million rubles, or by 0.2% in nominal value as compared to the beginning of 2019. The bulk of the capital (71.1%) concentrated in the five largest banks. As a result of the 1st half of 2019, all commercial banks had a total profit of 548.3 million rubles. None operating bank received losses.

The decrease in the cost of credit resources contributed to the growth of customers and banks' debts on credits and other active operations, which increased by 1.3% in January-June 2019 and amounted to 49,431.4 million rubles as of July 1, 2019 (48,791.4 million rubles as of January 1, 2019).

The banking sector remained resilient to the most significant risks. The key financial stability and soundness indicators met the requirements (table). The capital adequacy ratio on average for the banking system remained high (18.2% as of July 1, 2019), compared to the reference value set by the regulator for an individual bank at the level of not less than 10.0% (with a conservation buffer – 12.5%).

As of July 1, 2019, the non-performing assets (NPA) of acting banks (assets classified in V-VI risk groups as well as restructured debt classified in IV-VI risk groups) amounted to 3,200.1 million rubles and the share of NPA in assets subject to credit risk was 5.8%. The special reserve for covering possible losses on assets subject to credit risk was 100% (actual reserve to the estimated) as of July 1, 2019. The value of the leverage in operating banks significantly exceeded the normative value – 10.3% while the regulatory level is not less than 3%.

An improvement in banking supervision continued in the banking sector. Based on the recommendations for assessing the economic capital of banks, developed by the Basel Committee on Banking Supervision, the National Bank has established requirements for the organization of internal procedures for assessing capital adequacy in banks, including identification of significant risks, calculation of available and economic capital, capital adequacy assessment, use of economic capital and appropriate management reporting.

Indicators	01.01.2019	01.07.2019
Authorized capital (registered), million rubles	5,452.5	5,528.6
Regulatory capital, million rubles	10,673.3	10,694.9
Regulatory capital adequacy, %	17.7	18.2
Profit, million rubles	1,096.3	548.3
Profitability of assets, %	1.56	1.56
Profitability of regulatory capital, %	10.72	10.97
Share of non-performing assets in the assets subject to credit risk, %	5.0	5.8
Adequacy of the provision for assets subject to credit risk, %	100.0	100.0



GOVERNMENT BUDGET

In the 1st half of 2019, the Government of the Republic of Belarus adhered to a conservative budget policy and a balanced approach to public debt management. At the same time, budget execution was carried out in the conditions of insufficient income generation due to the suspension of oil transportation through the Druzhba trunk pipeline due to its “pollution”. However, the decrease in budget revenues is offset by outstripping revenues from the potash industry, and since July, the normal operation of oil industry organizations has been restored.

In the 1st half of 2019, the executed Republican budget had a surplus of 2.0 billion rubles (3.3% of GDP) while the planned surplus was 0.8 billion rubles. The excess plan surplus was formed mainly due to the failure to master the planned expenditures. According to the results of the 1st half of the year, about 1.2 billion rubles remained unclaimed. Following the Law of the Republic of Belarus On the Republican Budget for 2019, the surplus was partially allocated for the redemption of the outstanding public debt of the Republic of Belarus. The remaining part of the surplus retained in the budget balances.

The Consolidated budget (the Republican and local budgets) executed with a surplus of 2.4 billion rubles or 4.0% of GDP. The main share of revenues of the Consolidated budget (82.8%) formed by tax revenues, VAT built up the bulk of them. At the end of the period, the budget of the government sector also executed with a surplus (2.5 billion rubles or 4.1% of GDP) (Figure 20).

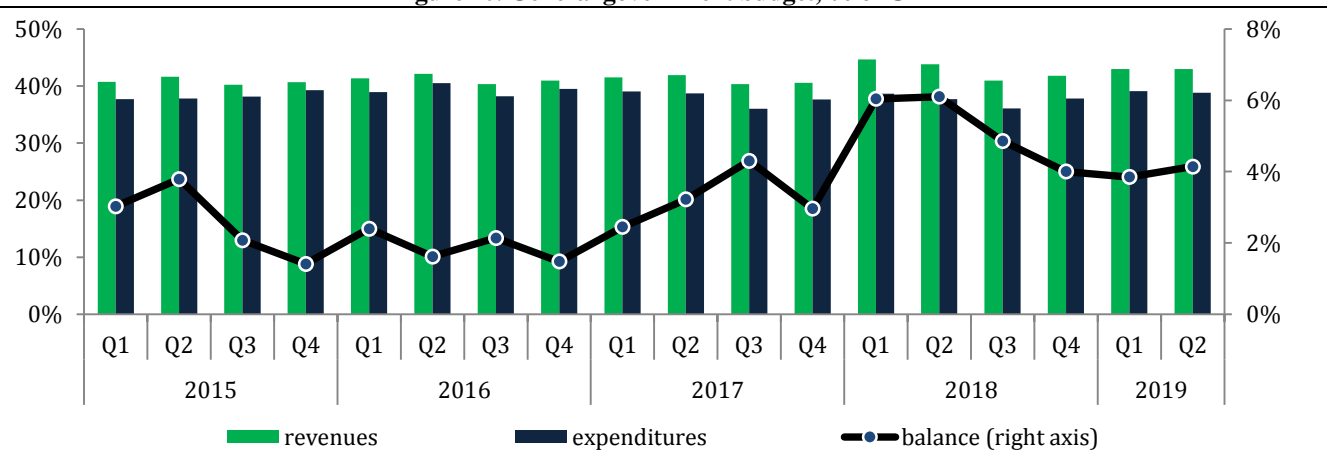
Taking into account the current economic situation, the draft of the budget for 2020 was also built on the base of a conservative (less favorable) scenario of economic development.

In 2020, the Republican budget revenues are projected at 24.15 billion rubles, the Republican budget expenditures – 24.45 billion rubles.

In 2020 (for the first time in 7 years), an excess of expenditures over revenues (deficit) of the Republican budget of 1 billion rubles is expected. The planned decrease in budget revenues is caused by a tax maneuver in Russia while the need for financing costs is increasing.

The budget deficit to be financed by external government loans attracted to provide users with external government loans for the implementation of investment projects (mainly social projects, the budget bears the obligation to return funds) of 0.9 billion rubles and the balance of the republican budget - 0.1 billion rubles. The government set the goal of solving social problems as the overall economic situation stabilizes.

Figure 20. General government budget, % of GDP



Source: <http://www.minfin.gov.by>



PUBLIC DEBT

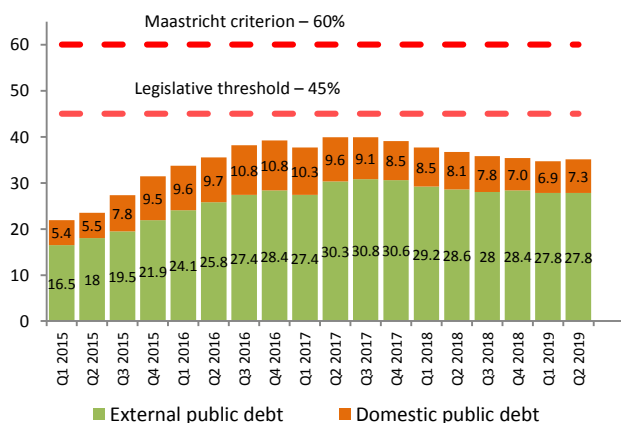
As of July 1, 2019, the public debt of the Republic of Belarus amounted to 43.1 billion rubles or 35.1% of GDP, including external public debt 27.8% of GDP and domestic public debt 7.3% of GDP (Figure 21). Over the 1st half of the year, public debt decreased by 2.3 billion rubles. The ratio of public debt to GDP decreased to 35.1% against the economic security threshold of no more than 45% of GDP. The external public debt decreased from the beginning of the year by USD 204.3 million (taking into account exchange rate changes), or by 1.2% and amounted to USD 16.7 billion.

In the 1st half of 2019, external state loans in the amount of USD 486.4 million were raised, including from the Government and banks of the Russian Federation (USD 398 million), International Bank for Reconstruction and Development (USD 50.3 million), banks of the PRC (USD 22.3 million), and other creditors (USD 15.8 million). The repayment of external public debt amounted to USD 773.7 million, including USD 311.9 million to the Government of the Russian Federation, USD 247.2 million to banks of the PRC, USD 176.5 million to EFSF, and USD 38.1 million to other creditors.

Domestic public debt amounted to 9 billion rubles as of July 1, 2019, having decreased by 109.5 million rubles or by 1.2% (taking into account exchange rate changes) since the beginning of the year. In the 1st half of 2019, foreign currency government bonds for legal entities and individuals were placed for a total of USD 527.9 million. The government did not place bonds in national currency in January-June 2019. The repayment of the bonds was in the amount of USD 160.3 million and 227.2 million rubles.

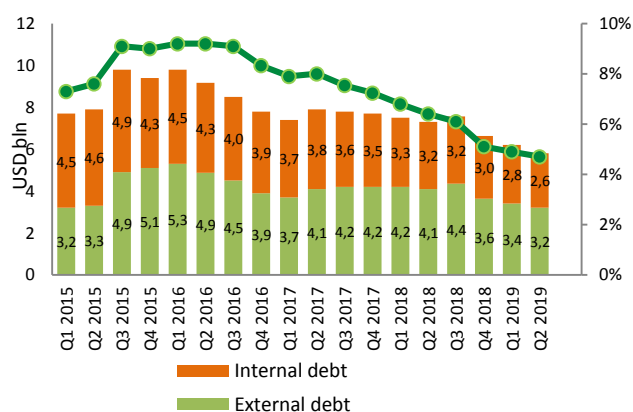
As of July 1, 2019, debt guaranteed by the Government of the Republic of Belarus amounted to 5.8 billion rubles or 4.7% of GDP, having decreased by 786.6 million rubles from the beginning of 2019. It included external debt guaranteed by the Republic of Belarus of 2.6% of GDP and domestic debt guaranteed by the Republic of Belarus of 2.1% of GDP (Figure 22).

Figure 21. Public debt, % of GDP



Source: <http://www.minfin.gov.by>

Figure 22. Public guaranteed debt

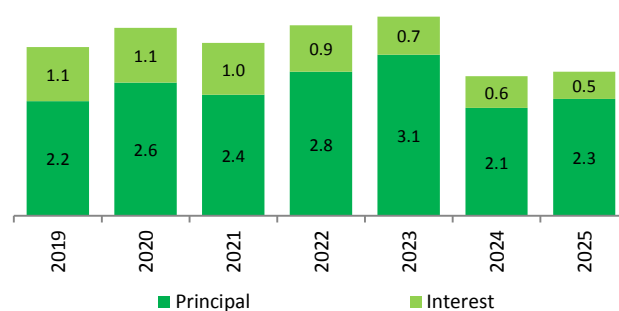


Source: <http://www.minfin.gov.by>

In the 1st half of 2019, a number of measures were taken to reduce the level of public debt and the tension in the payments schedule.

To cover payments on government debt, primarily non-debt sources were used. Funds from export customs duties on petroleum products were allocated in full to repay the government debt. Interest rates for several “most expensive” issues of government bonds have been reduced. The approach to attract government loans for project financing was tightened. New tied borrowings were made only to finance socially significant and infrastructure projects.

Figure 23. Debt repayment schedule



Source: calculations of the Ministry of Finance on the basis of the public debt portfolio as of 01.07.2019



SECURITIES MARKET

The debt securities market in the Republic of Belarus is represented by bonds issued by banks, enterprises of the real sector of the economy, other business entities, local state authorities, and the National Bank and the Ministry of Finance as the issuer of government securities.

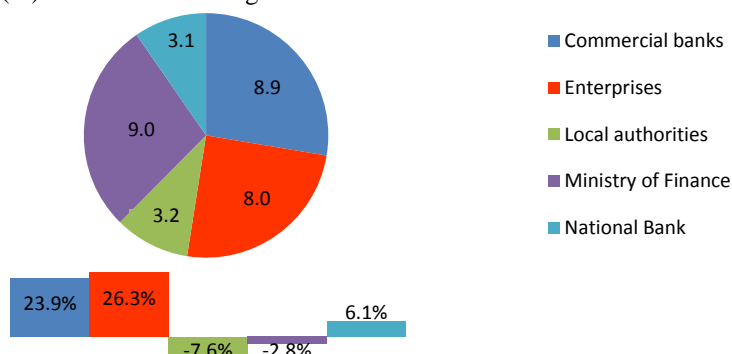
By the end of the 1st half of 2019, the total number of bond issuers amounted to 276 subjects, having increased over the year by 6,2%. The corporate bonds sector (184 issuers) demonstrated the largest growth rate (+8.2%). As of July 1, 2019, there were 1 025 bond issues in circulation (+10.6%).

As of July 1, 2019, the total amount of bonds issued by all categories of issuers was 32.2 billion rubles at a nominal value (Figure 24).

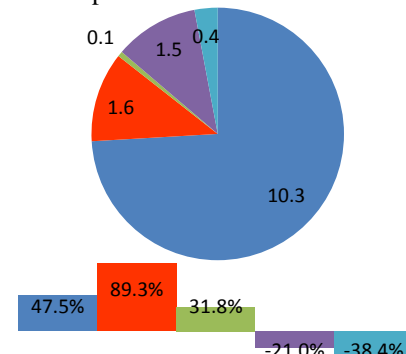
The bond segment of the securities market is dominant as compared to operations with other types of securities. The total amount of transactions with all types of bonds amounted to 16.6 billion rubles in the 1st half of 2019, an increase of 25.4% compared to the 1st half of 2018. The largest part of them was purchase and sale transactions – 13.9 billion rubles (+ 32.9%).

Figure 24. Bond market

Volume of issues (billion rubles) and growth (%) of bonds of all categories of issuers



Volume (billion rubles) and increase (%) of bonds purchase and sale transactions



Source: <http://www.minfin.gov.by>

In the Republic of Belarus, 4 305 joint-stock companies are registered as of July 1, 2019, of which 2 312 are open JSC, 1 993 are closed JSC. The total issue of shares amounted to 33.1 billion rubles at par value (+5% compared to July 1, 2018). The volume of transactions with shares in the 1st half of 2019 amounted to 153.4 million rubles, having decreased by 44.2% compared with the volume of operations in the 1st half of 2018.

The total issue of all types of securities amounted to 65.3 billion rubles as of July 1, 2019 (+7.6% compared to July 1, 2018). The total volume of operations with all types of securities (stocks and bonds) in all segments of the stock market in the 1st half of 2019 amounted to 16.8 billion rubles, increasing by 23.9% compared to the 1st half of 2018. At the same time, the volume of transactions in the organized securities market amounted to 6.4 billion rubles (-4.5%), the unorganized segment of the securities market reached 10.4 billion rubles (+52.9%).

The Ministry of Finance is working on the implementation of promising areas of the securities market development, which are enshrined in government programs, including:

- development of collective investment institutions, incl. the establishment of a stimulating tax regime for investment funds;
- creation of the necessary conditions for attracting investments (including foreign) by domestic business entities and for the active participation of business entities and citizens in financial market operations (through increased sales of state-owned shares through the stock exchange; introducing a qualified investor institution; creating conditions for the issue of bonds for qualified investors, etc.);
- development of the trading, settlement, clearing and depository infrastructure of the securities market;
- introduction to IOSCO and unification of regulatory approaches taking into account world practice;
- increasing the openness of the market, financial literacy of its participants;
- implementing corporate actions using remote access.



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