

MACROECONOMIC REVIEW
OF BELARUS

January-March 2015

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Abbreviations:

Ann. – Annual

BoP – Beginning of the Period

CT – Cumulative Total

M/M – Corresponding Month of the Previous Year

MoM – Month over Month

Q/Q – Corresponding Quarter of the Previous Year

QoQ – Quarter on Quarter

s.a. – Seasonally Adjusted

YoY – Year over Year

2015F – Forecast

Acronyms:

CB – Commercial banks

CPI – Consumer price index

FCE – Final consumption expenditure

GDP – Gross domestic product

GED – Gross external debt

GovED – General government debt

IRA – International reserve assets

NED – Net external debt

NFA – Net foreign assets

NULC – Nominal unit labour cost

PPI – Producer price index

RULC – Real unit labour costs

SDEO – Stock of debt and equity outstanding

ULC – Unit labour costs

VA – Value added

1.1 Economic growth

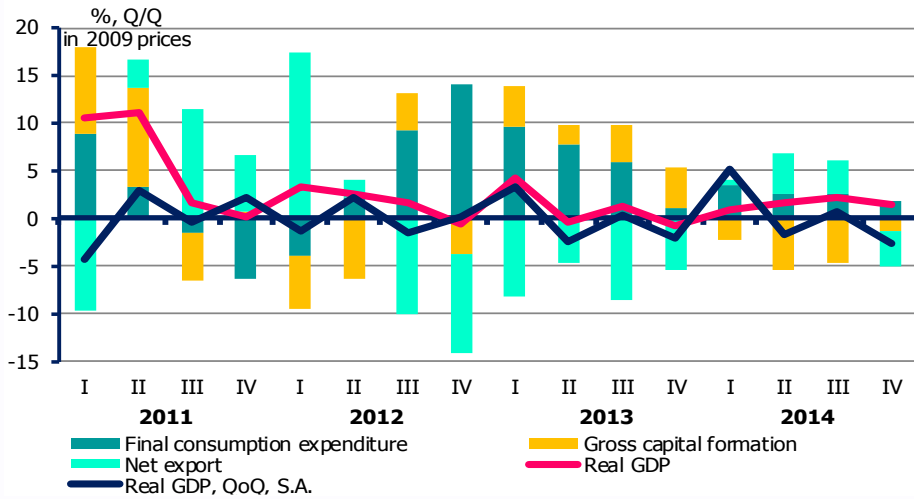


Fig. 1.1 – The structure of GDP by components of the demand

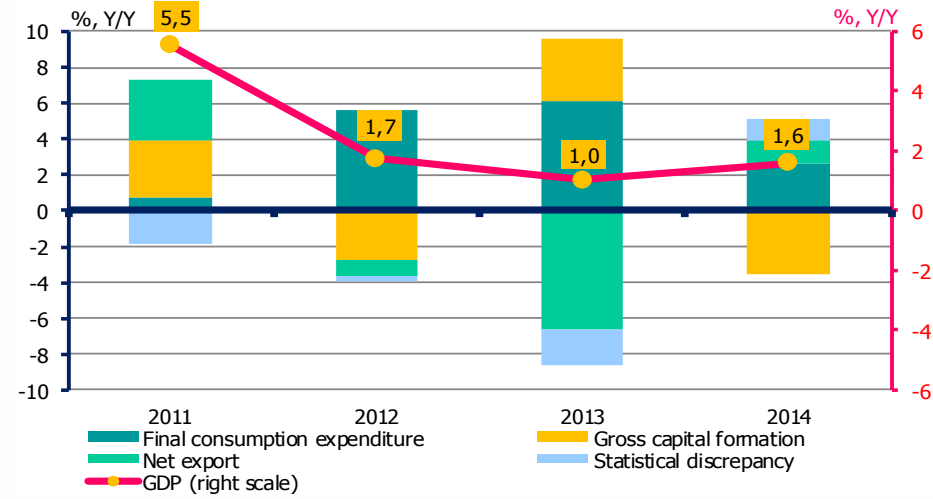


Fig. 1.2 – Decomposition of GDP growth (demand side)

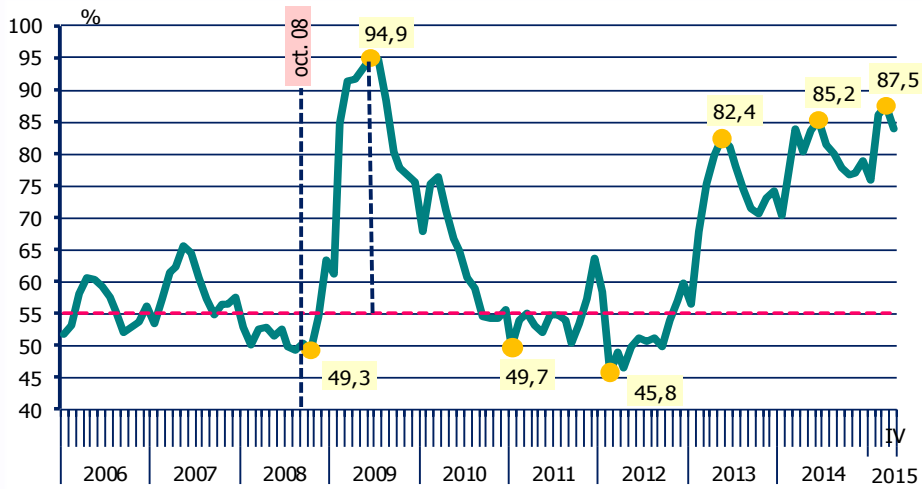


Fig. 1.3 – Stocks of finished products, as % to average monthly volume of industrial output

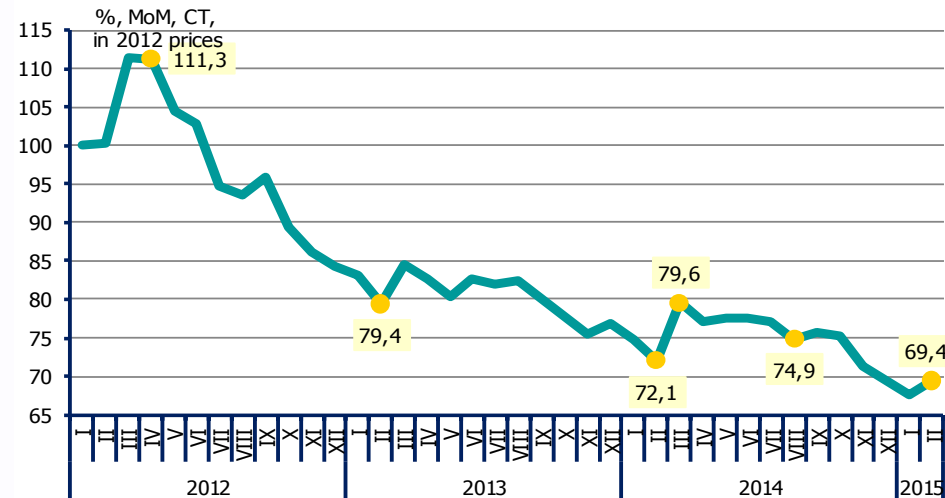


Fig. 1.4 – Industrial output

1.2 Labor market I

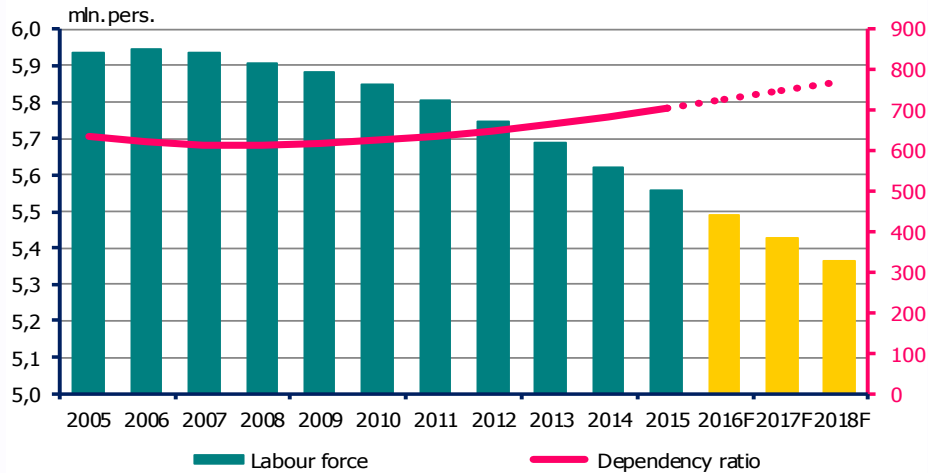


Fig. 1.5 – The labour force and dependency ratio

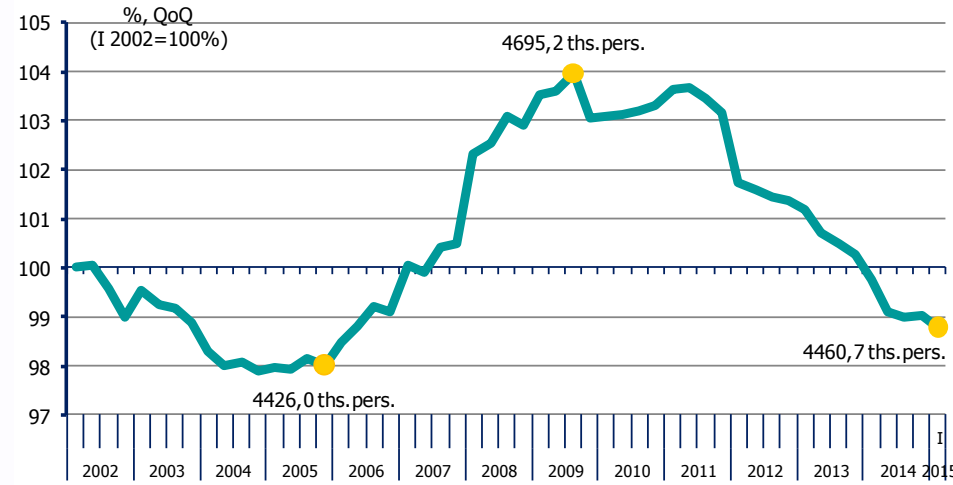


Fig. 1.6 – Number of employed in the economy

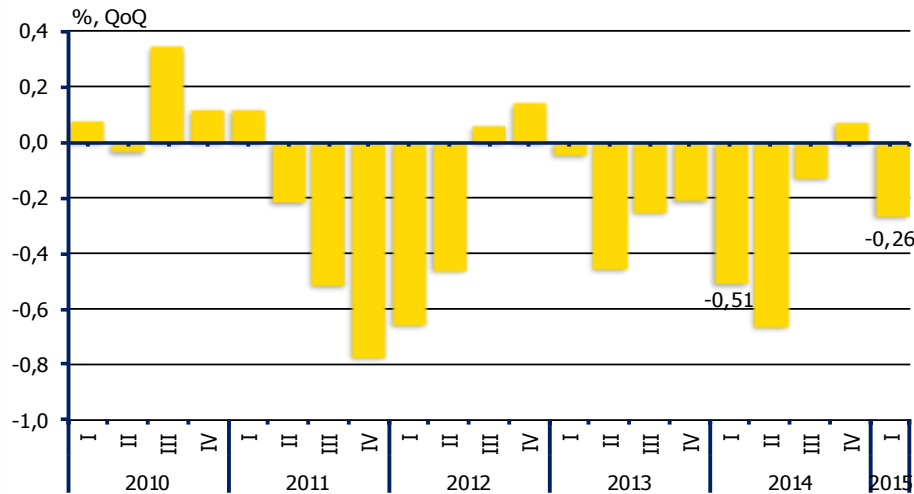


Fig. 1.7 – The employment growth rate

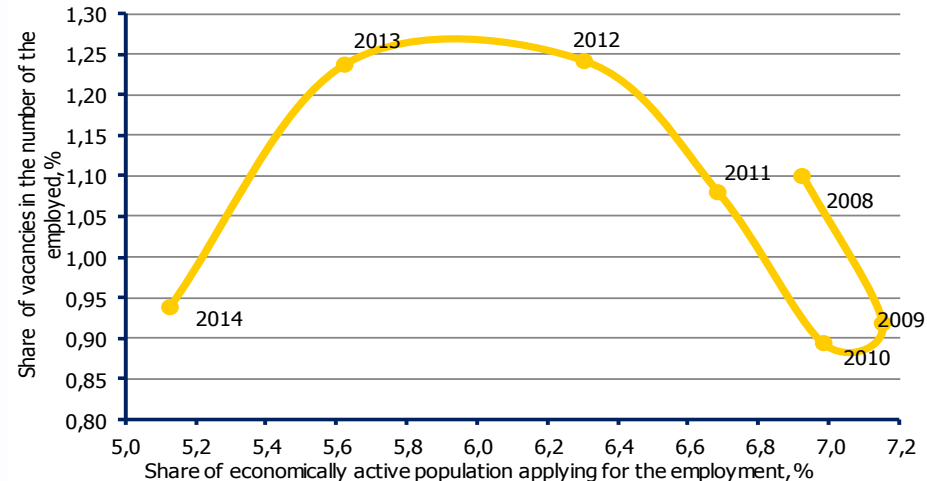


Fig. 1.8 – Beveridge curve for the Belarusian labor market, 2008-2014 v.

1.2 Labor market II

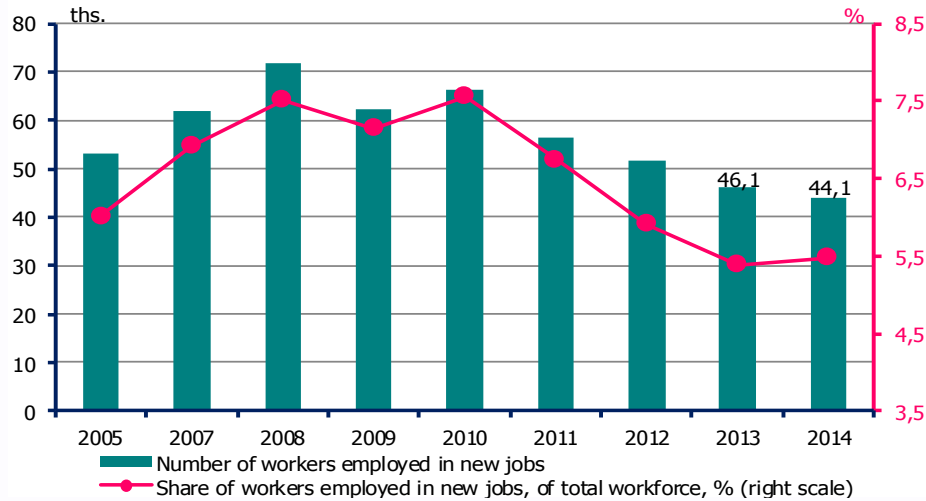


Fig. 1.9 – Dynamics of employment in new jobs

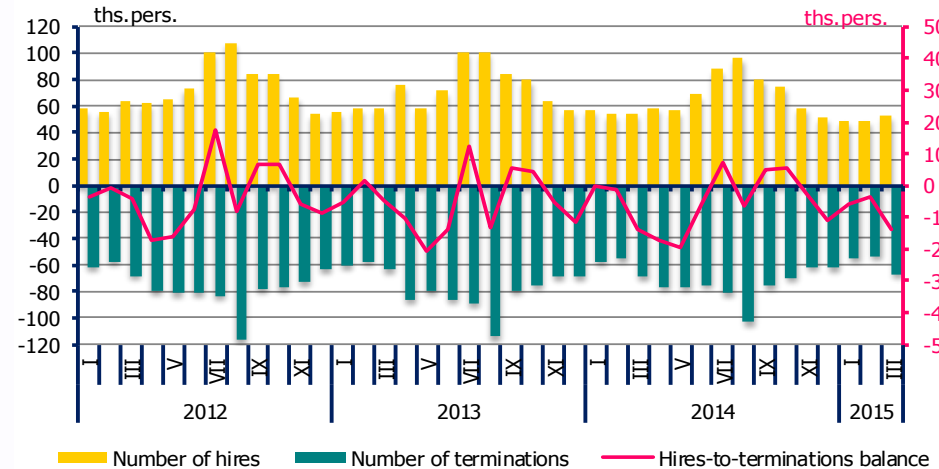


Fig. 1.10 – The ratio of hired and dismissed workers

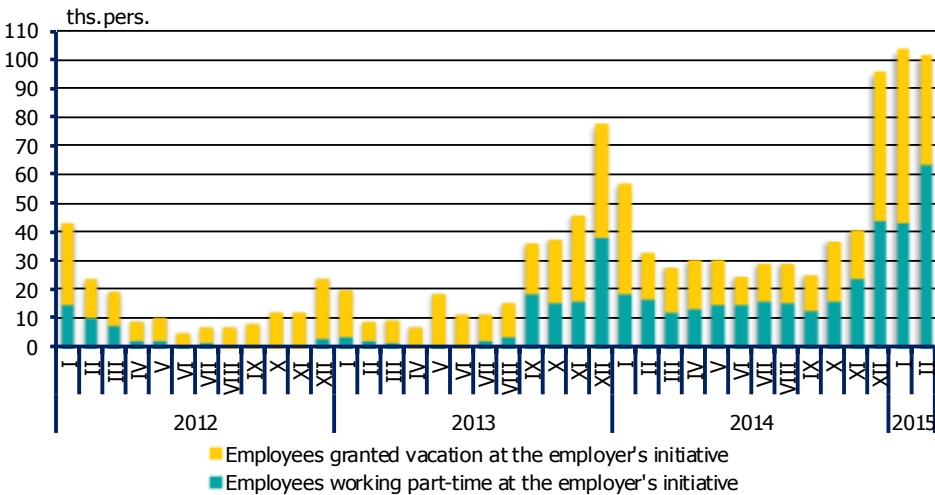


Fig. 1.11 – Employees in forced vacation and working part-time

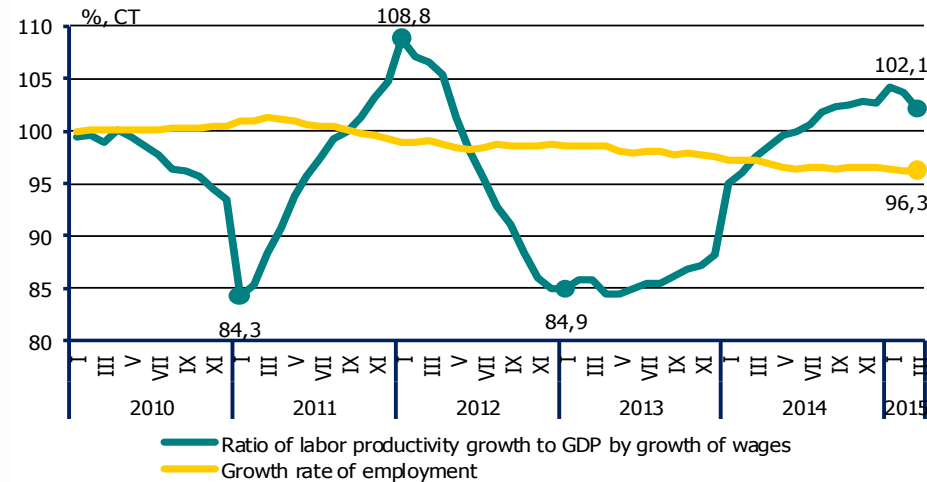


Fig. 1.12 – The ratio of labor productivity growth to real wages

1.2 Labor market III

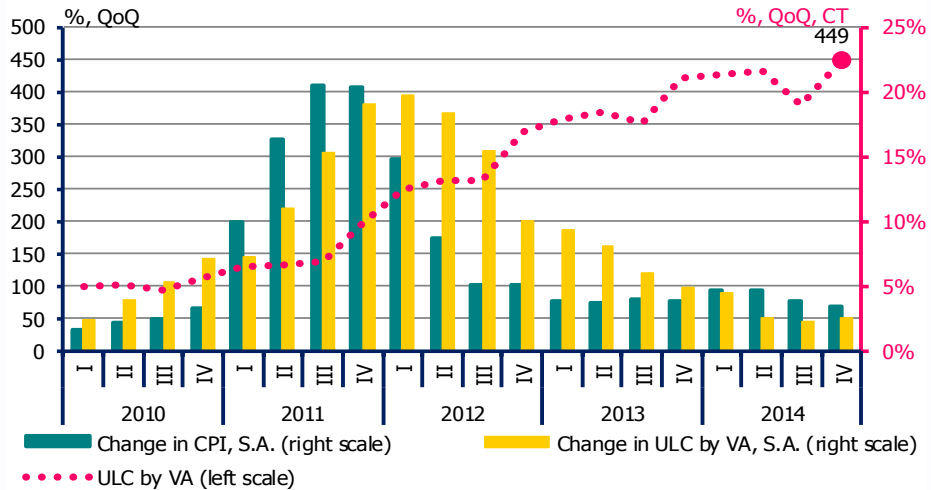


Fig. 1.13 – Change of the ULC for value added and CPI

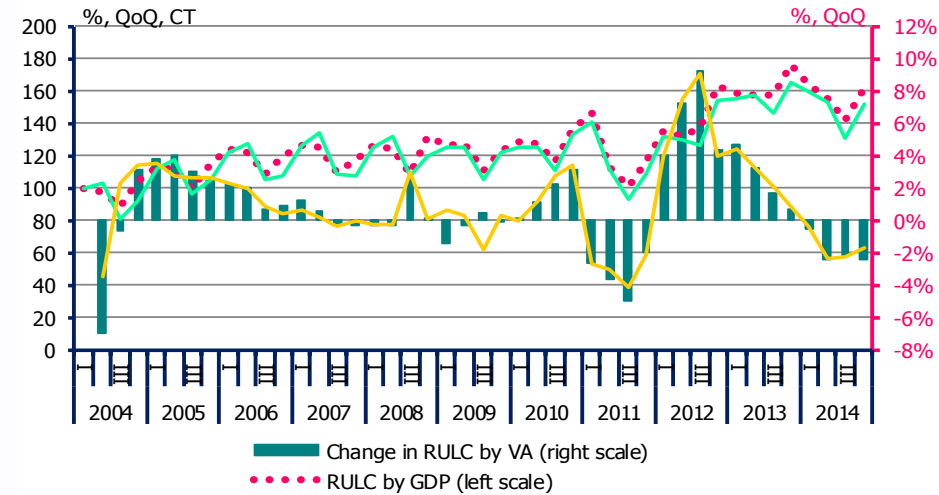


Fig. 1.14 - Dynamics (right scale) and change (left scale) in RULC by GDP and VA (real wages by CPI)

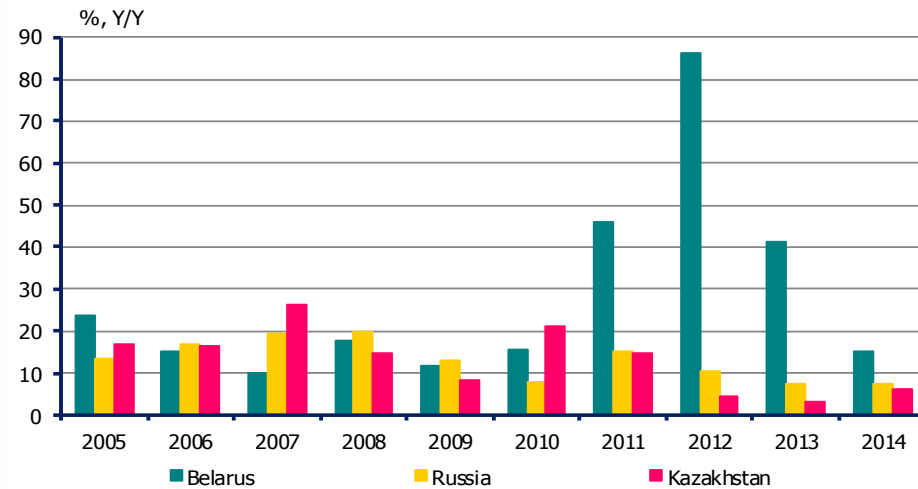


Fig. 1.15 – NULC growth in EAEU countries

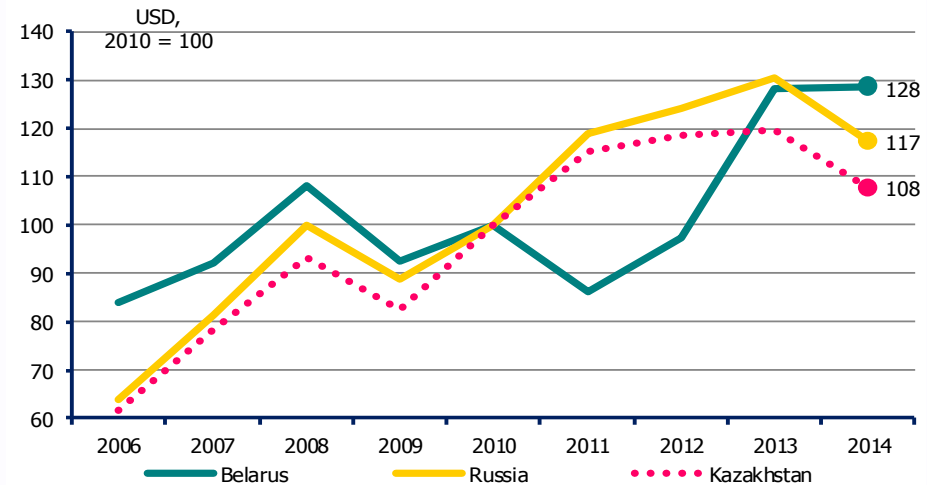


Fig. 1.16 - NULC in EAEU countries

1.3 Wages and consumer demand

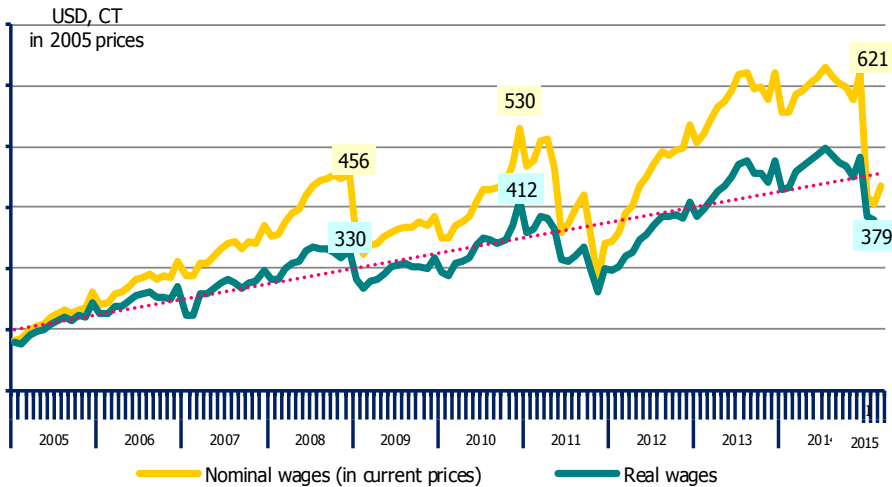


Fig. 1.17 - Dynamics of the real wages in USD

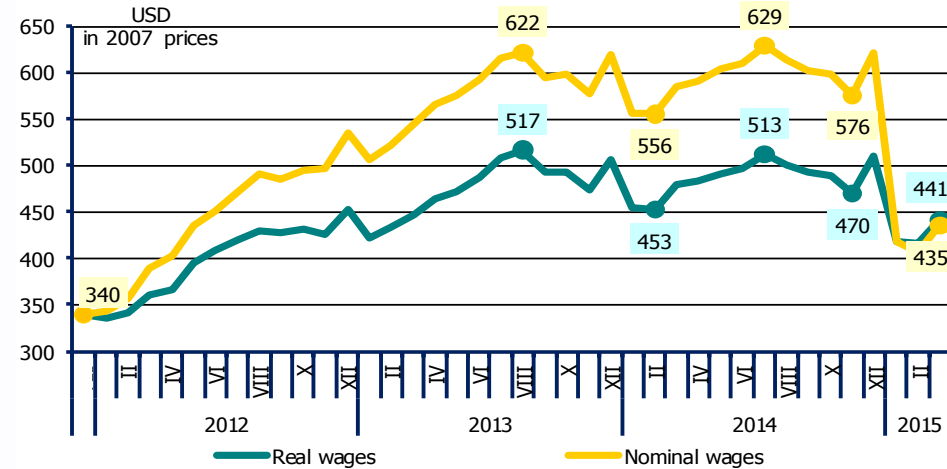


Fig. 1.18 - Dynamics of the real wages in USD

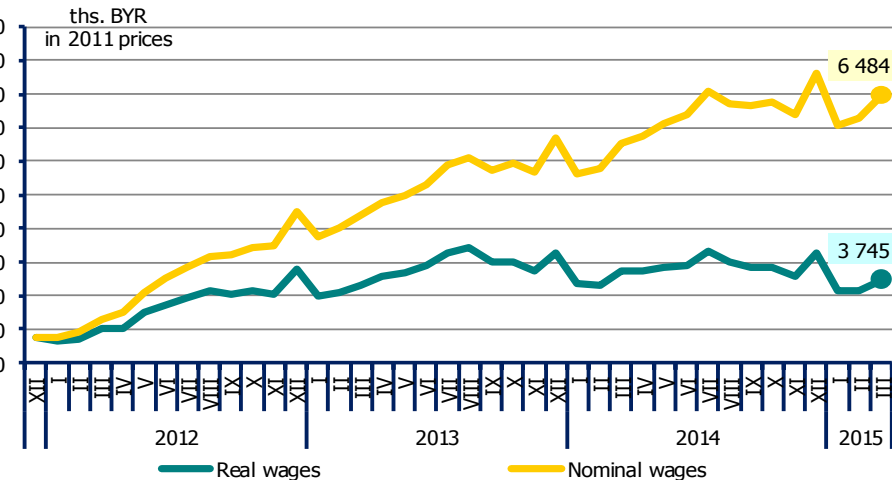


Fig. 1.19 - Dynamics of the average nominal and real wages

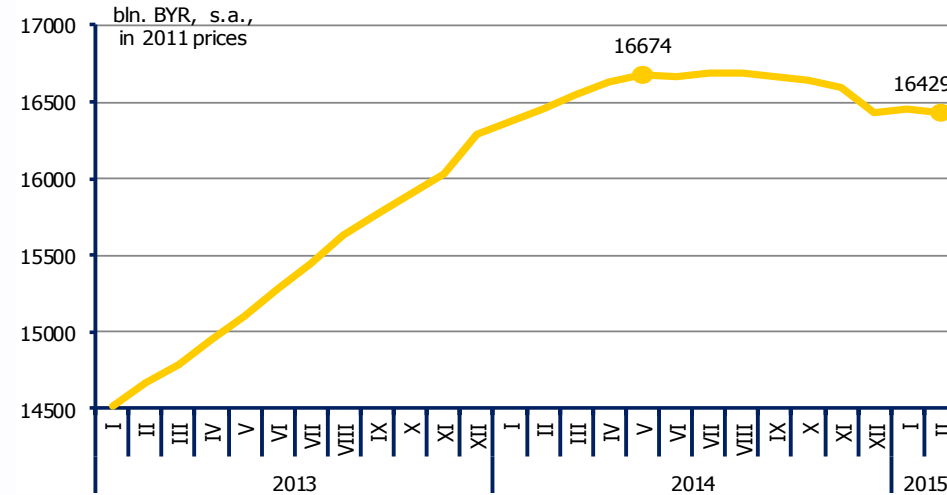


Fig. 1.20 - Dynamics of the retail trade turnover

1.4 Investments

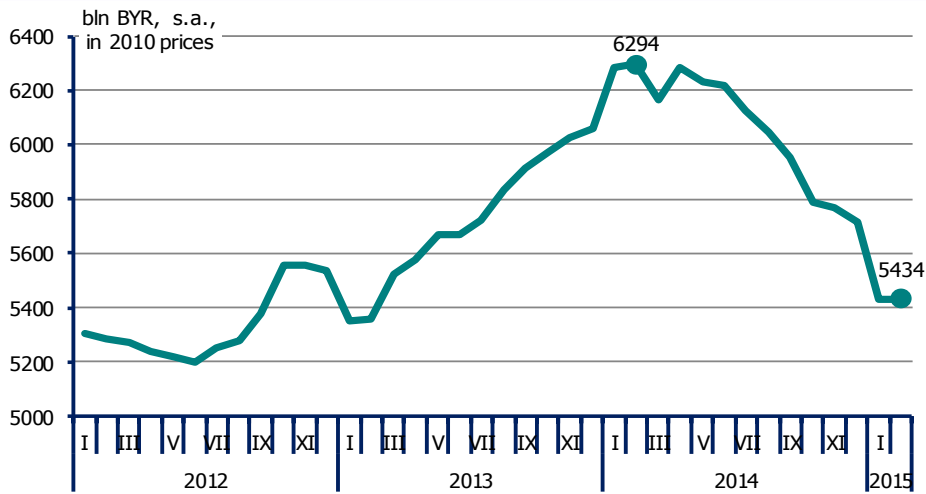


Fig. 1.21 – Fixed capital investment

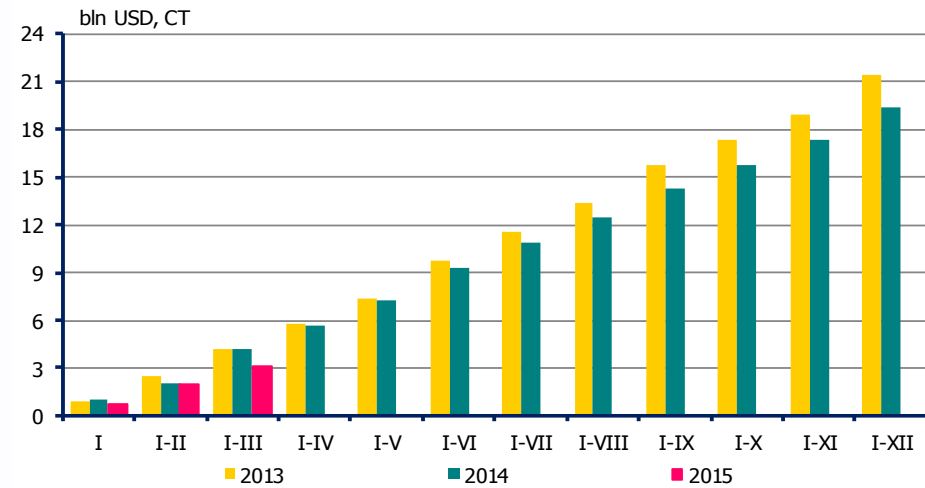


Fig. 1.22 – Fixed capital investment

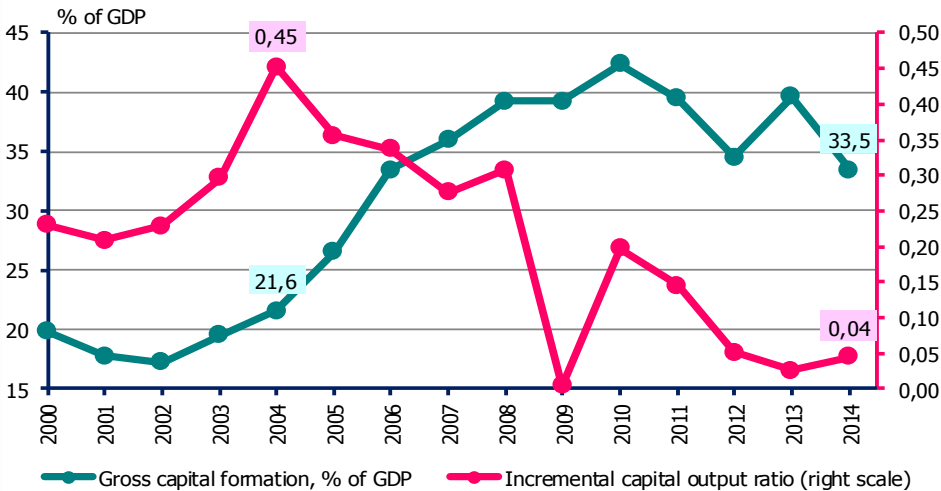


Fig. 1.23 – Incremental capital output ratio (right scale) and the gross capital formation (left scale)

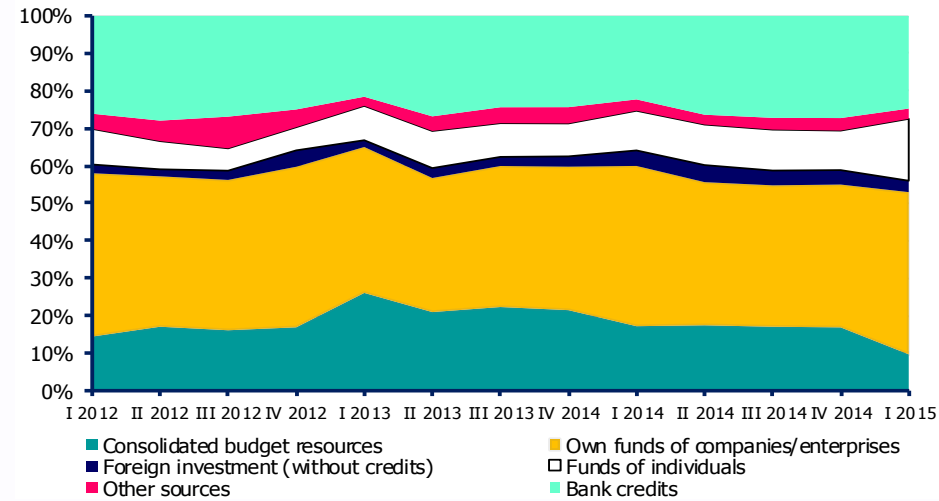


Fig. 1.24 – Fixed capital investment by sources of financing

1.5 Inflation

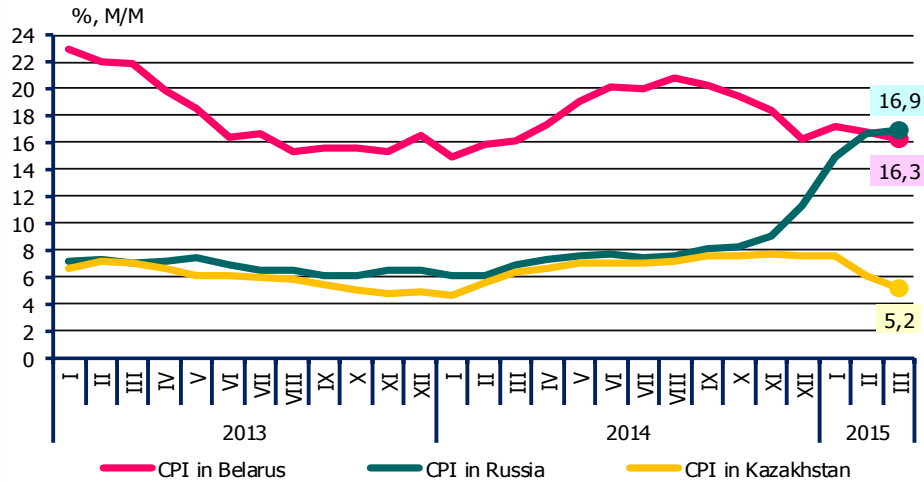


Fig. 1.25 - Inflation in Belarus, Russia and Kazakhstan

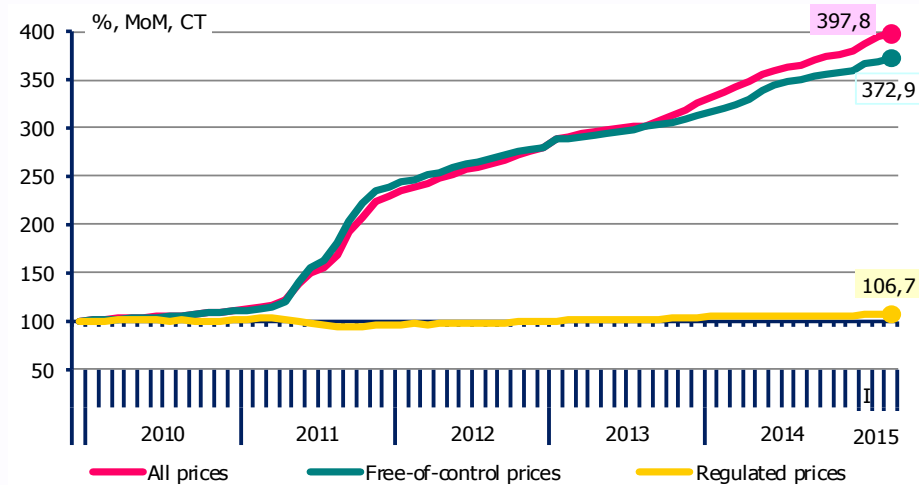


Fig. 1.26 – CPI by kind of prices

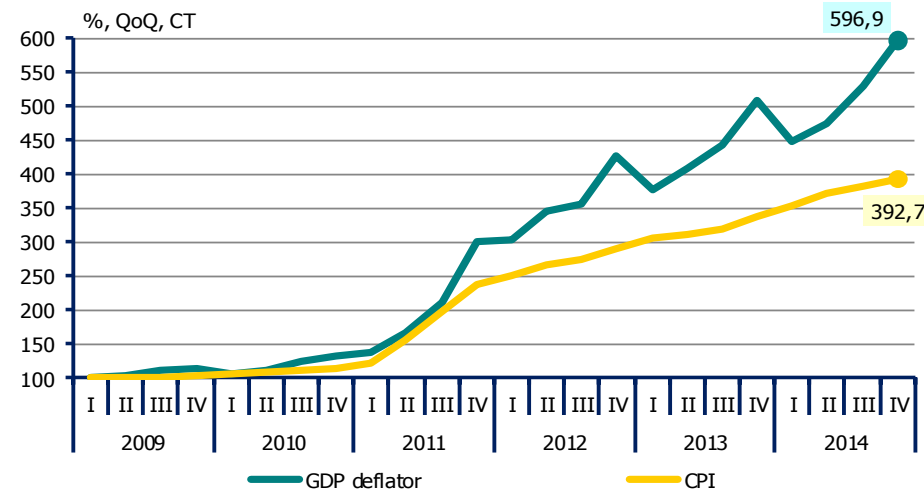


Fig. 1.27 – GDP Deflator and CPI

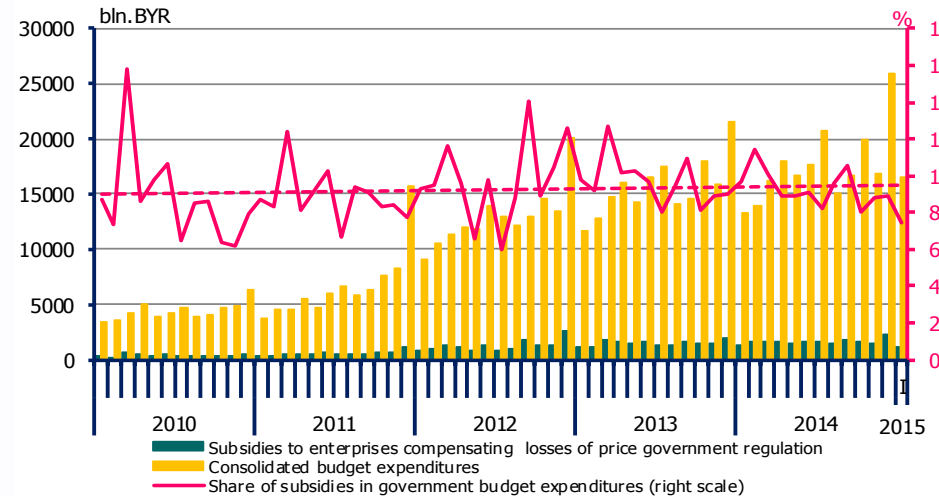


Fig. 1.28 - Share of subsidies covering losses of price regulation

2.1 Government Budget I

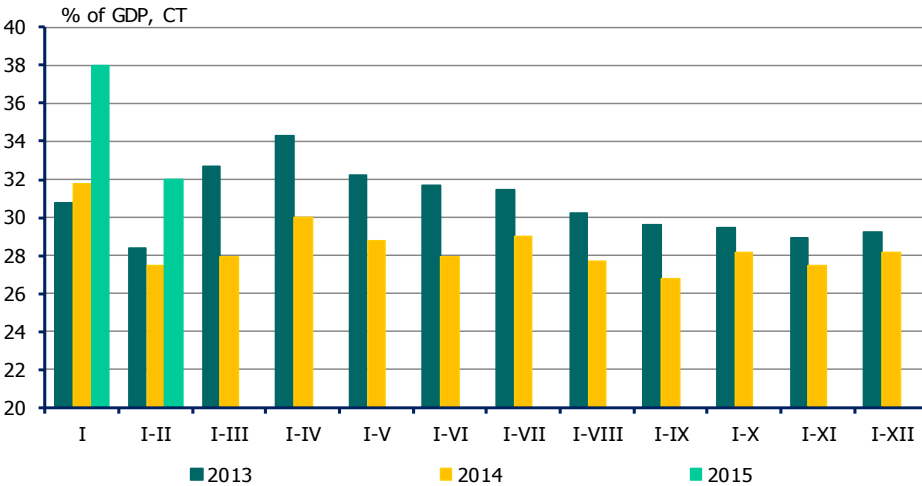


Fig. 2.1 – Revenues of consolidated budget

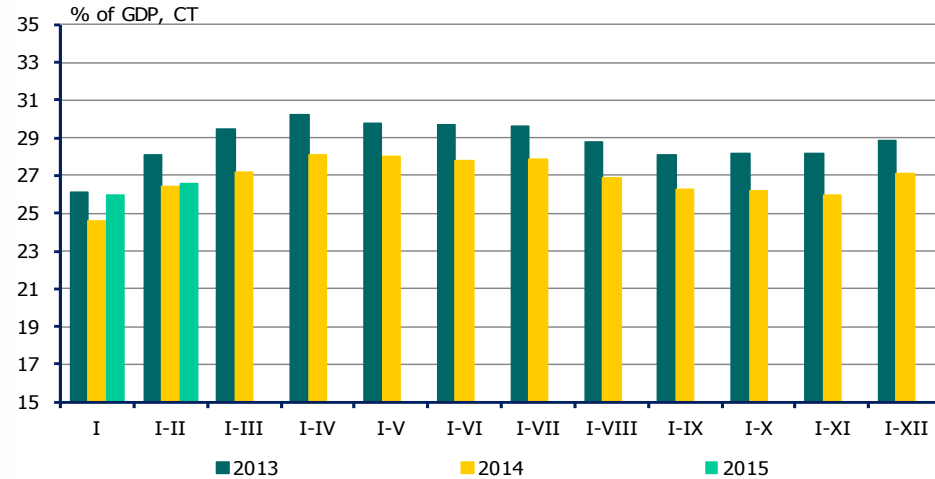


Fig. 2.2 - Expenditures of consolidated budget

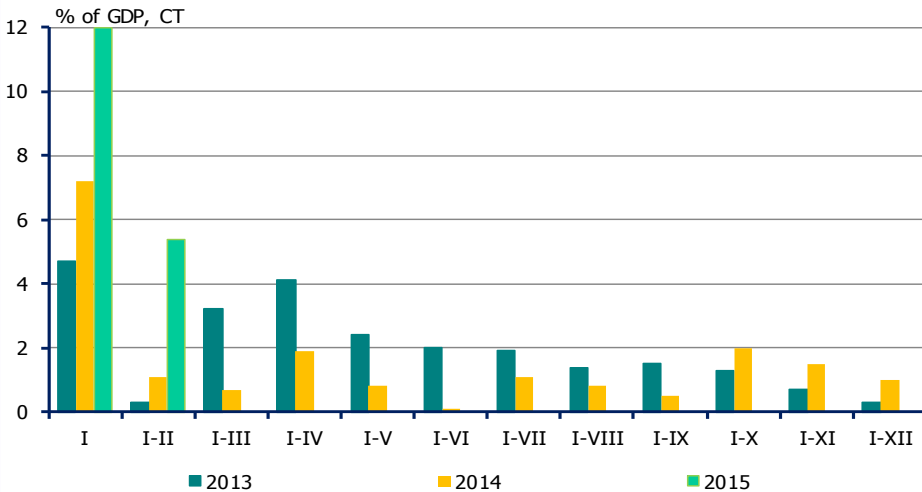


Fig. 2.3 - Surplus (+) / deficit (-) of consolidated budget

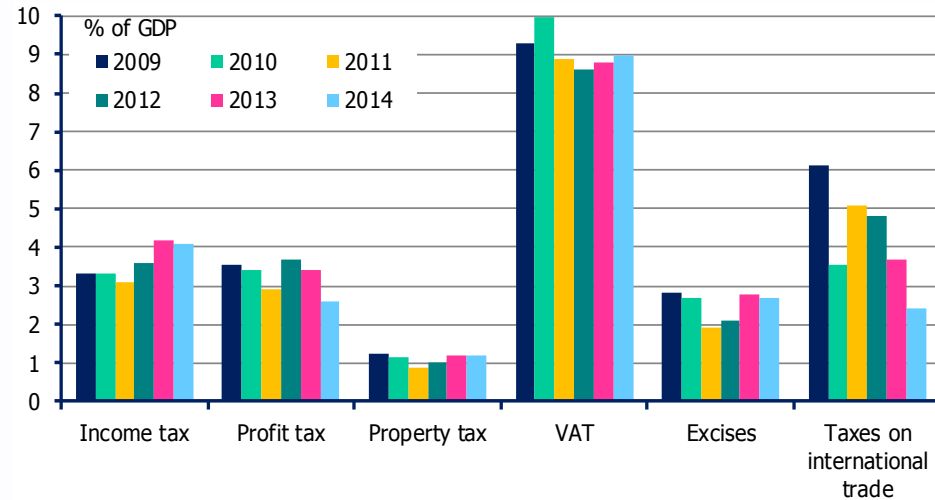


Fig. 2.4 - Tax revenues to GDP ratio

2.1 Government Budget II

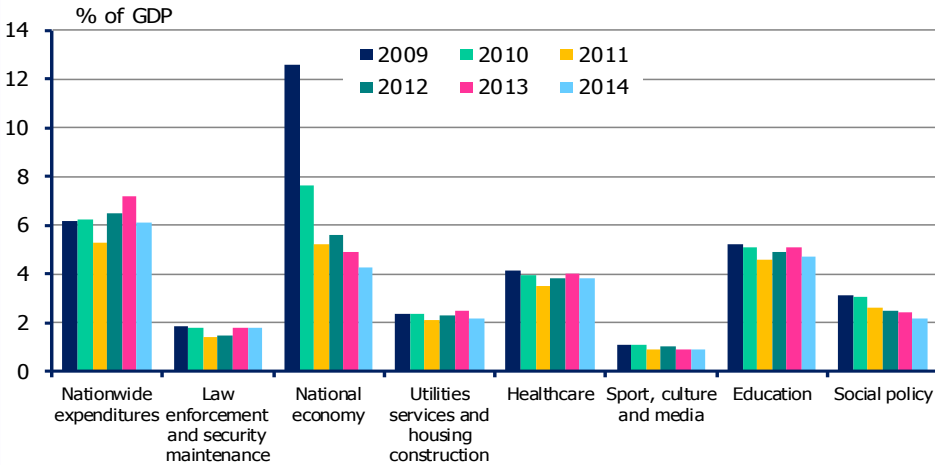


Fig. 2.5 – Structure of consolidated budget expenditures

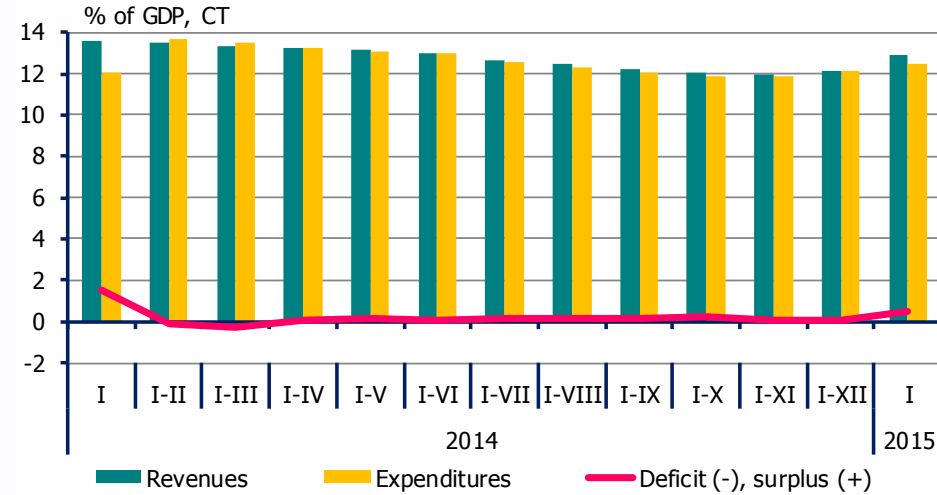


Fig. 2.6 – The Social Security Fund balance

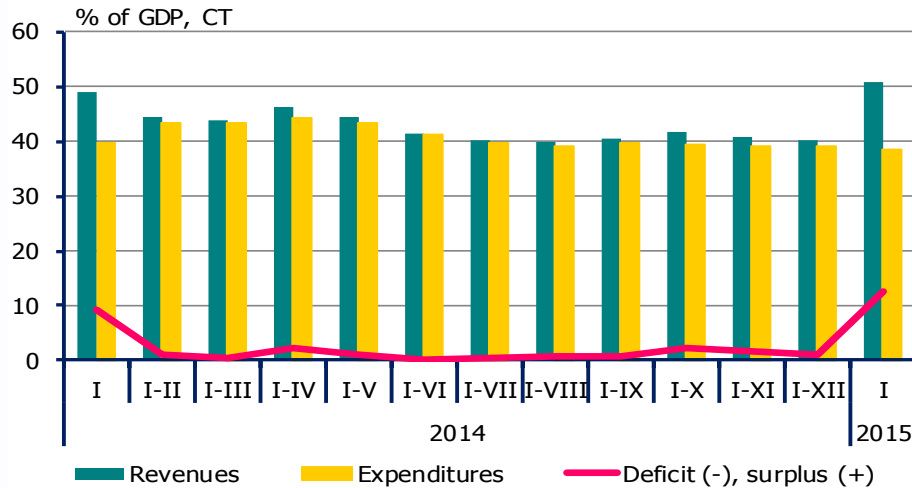


Fig. 2.7 – The central government budget balance

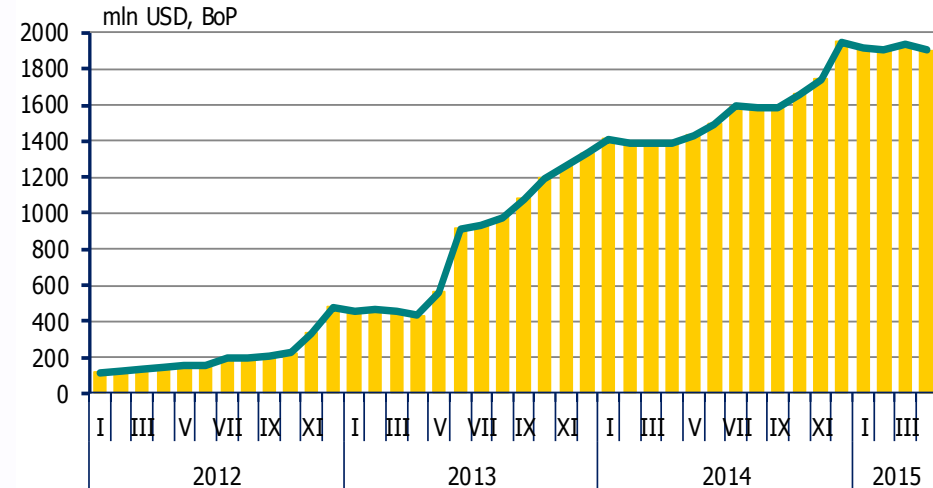


Fig. 2.9 – Foreign currency bonds issued by the Ministry of Finance in banks' portfolios

3.1 Monetary base

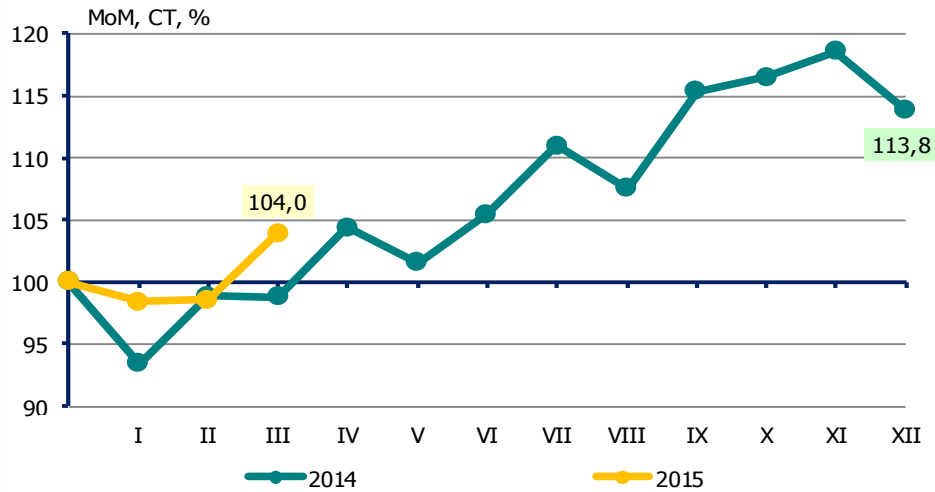


Fig. 3.1 – Monetary base

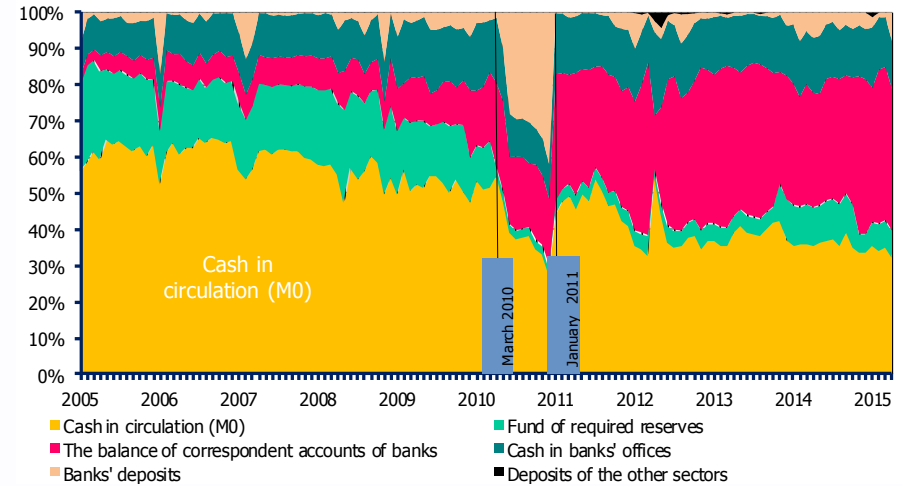


Fig. 3.2 - Monetary base structure dynamics

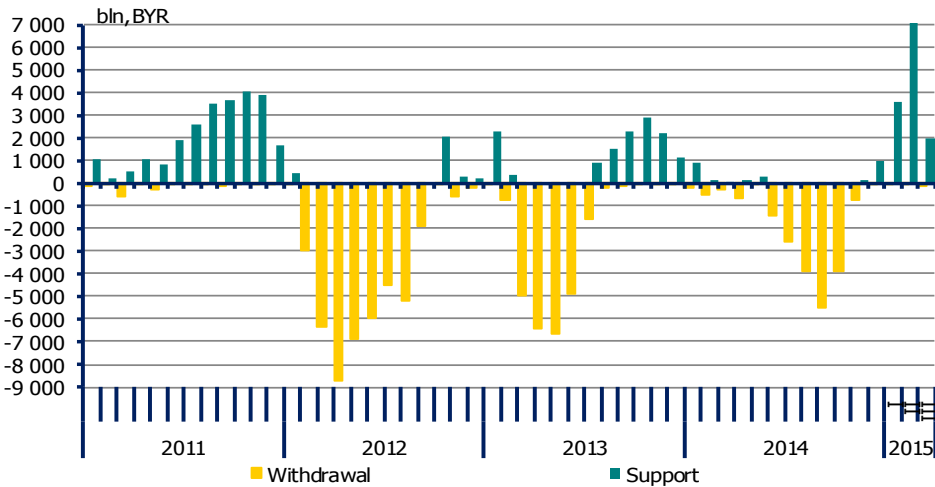


Fig. 3.3 - Regulation of the banking system liquidity by National Bank

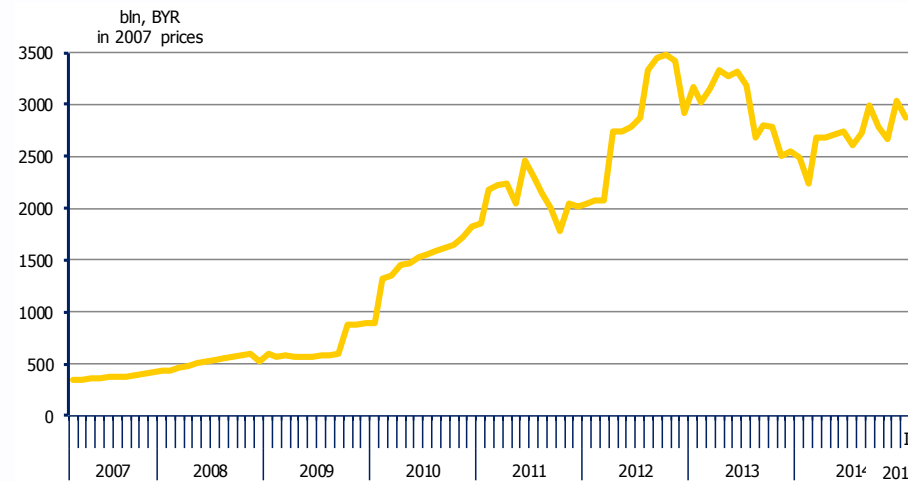


Fig. 3.4 – Balance of correspondent accounts

3.2 Multiplier and money velocity

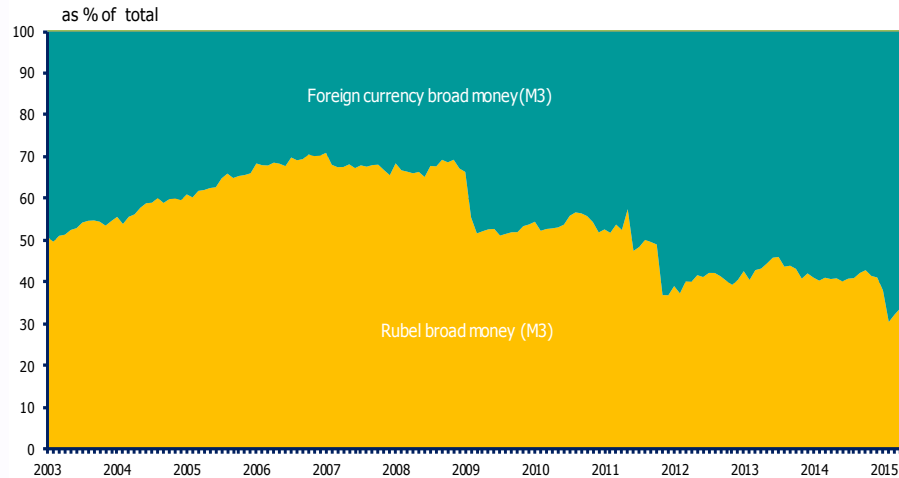


Fig. 3.5 – Dollarization of the money supply

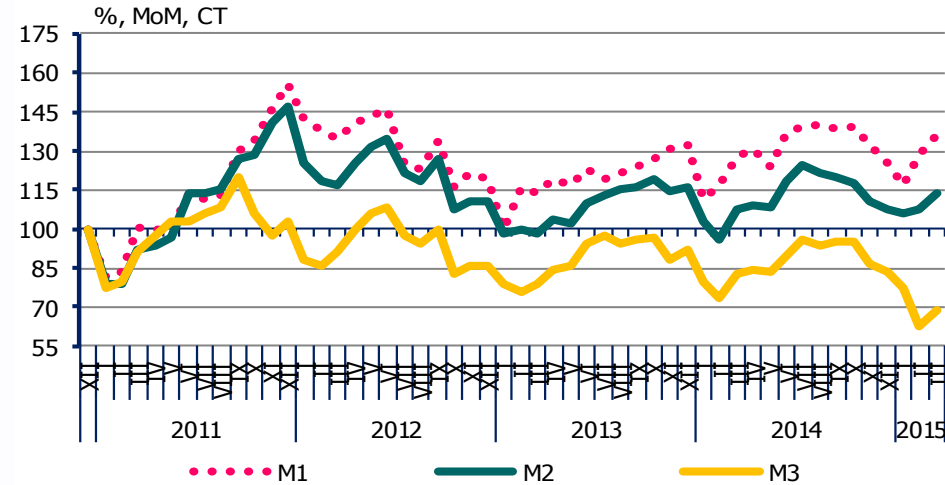


Fig. 3.6 – Money velocity

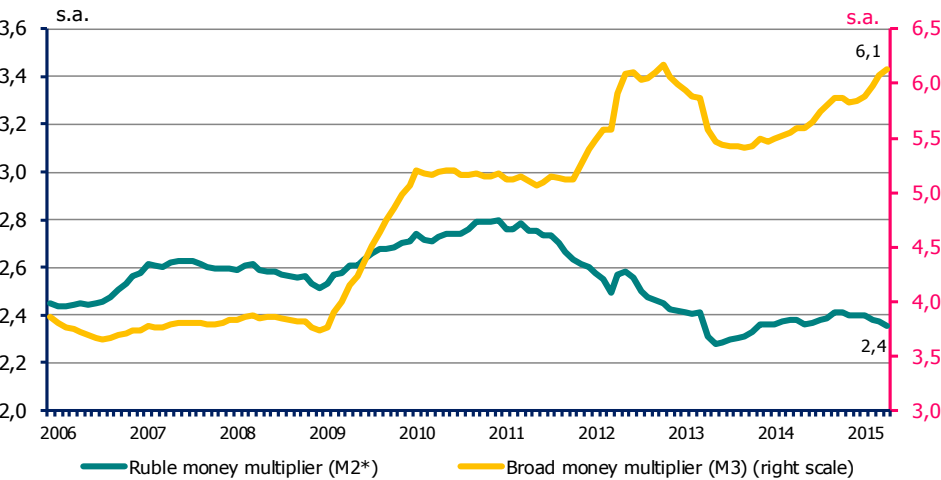


Fig. 3.7 – Money multiplier

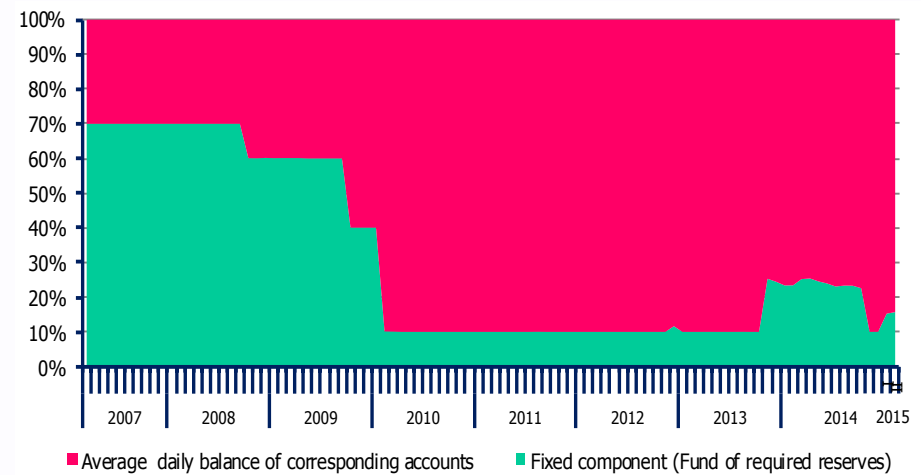


Fig. 3.8 – Structure of the commercial banks reserves in the monetary base

3.3 Money supply

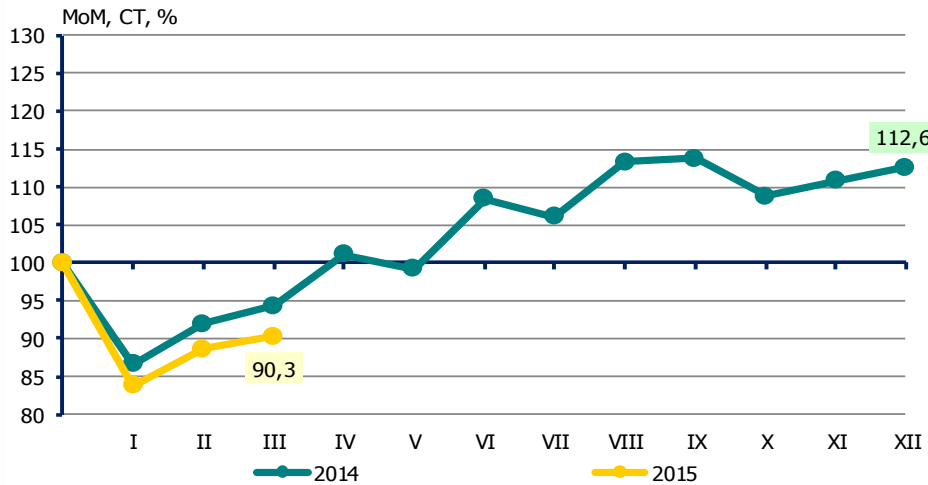


Fig. 3.9 – M1 growth

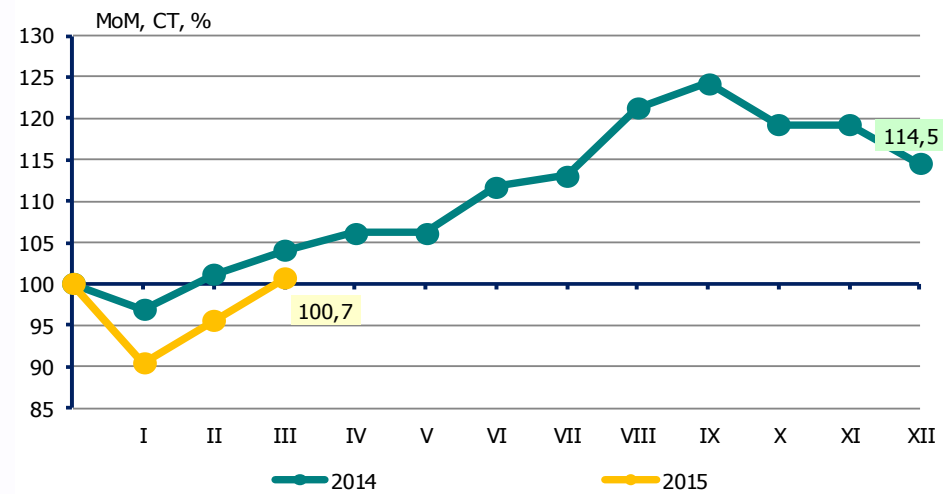


Fig. 3.10 – M2* growth

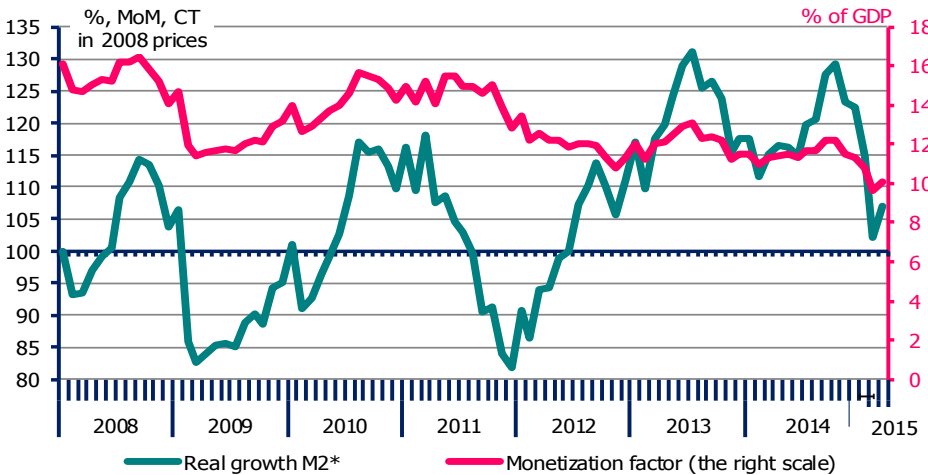


Fig. 3.11 – M2* dynamics

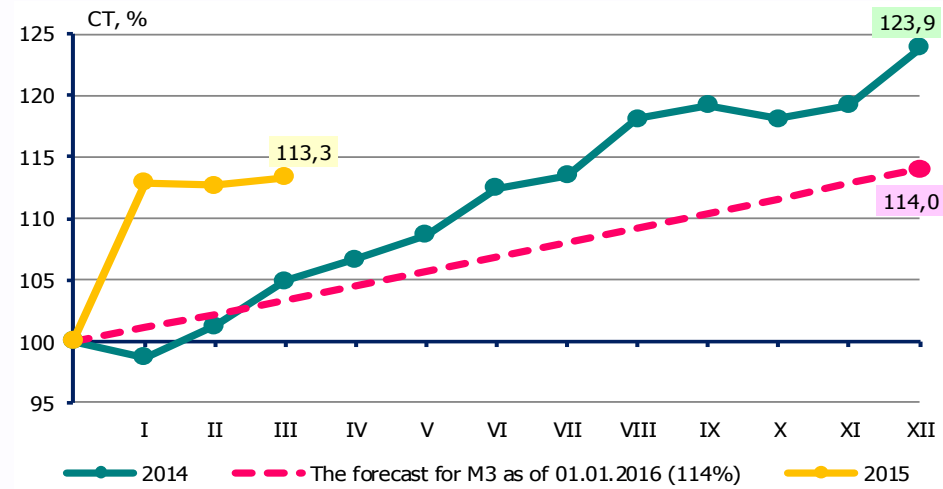


Fig. 3.12 – M3 growth

3.4 The resource base of commercial banks

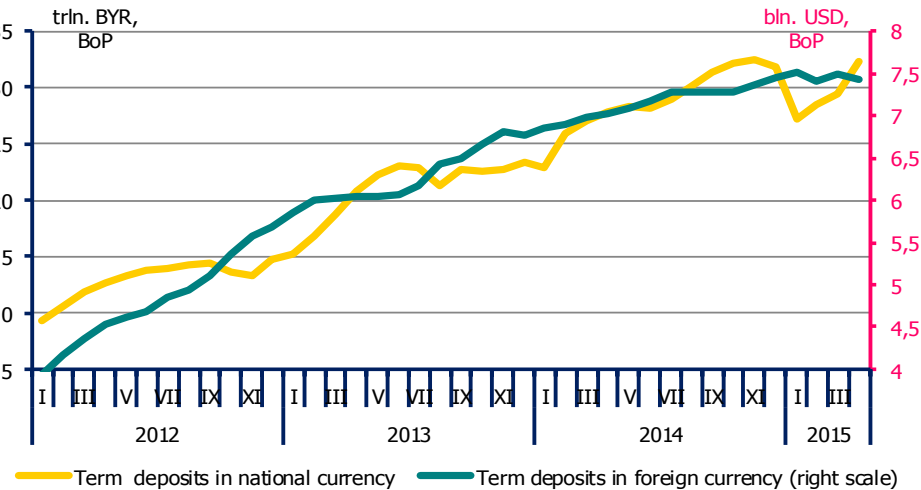


Fig. 3.13 – Term deposits of individuals in national and foreign currency

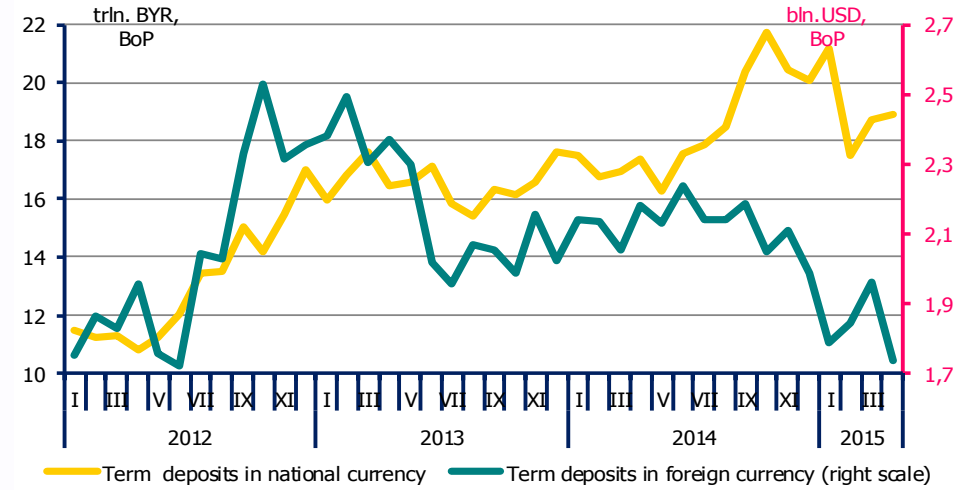


Fig. 3.14 – Term deposits of enterprises in national and foreign currency

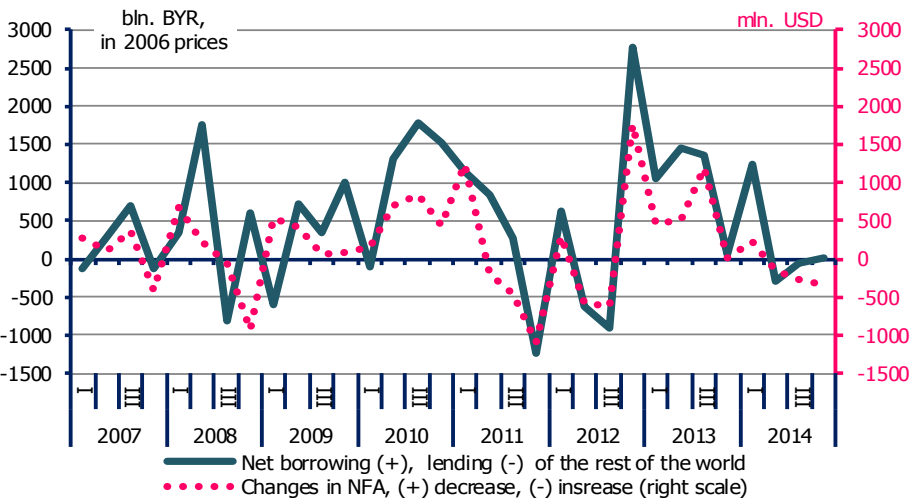


Fig. 3.15 – Finance resources attracted by banks from the rest of the world

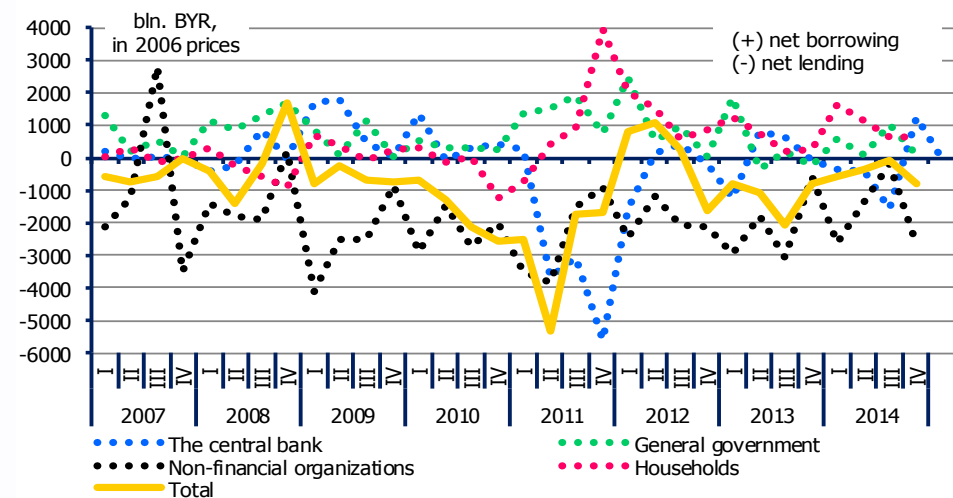


Fig. 3.16 – Domestic finance resources attracted by banks

3.5 Financial depth of the economy

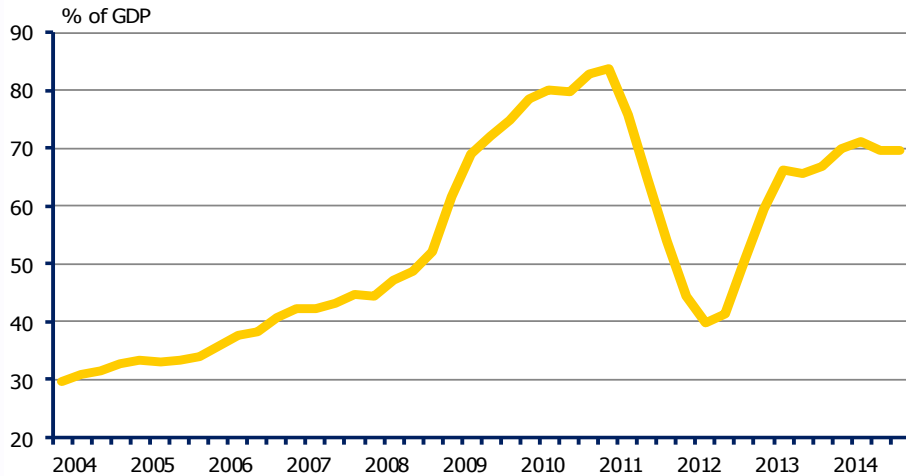


Fig. 3.17 – SDEO to GDP ratio, deflated

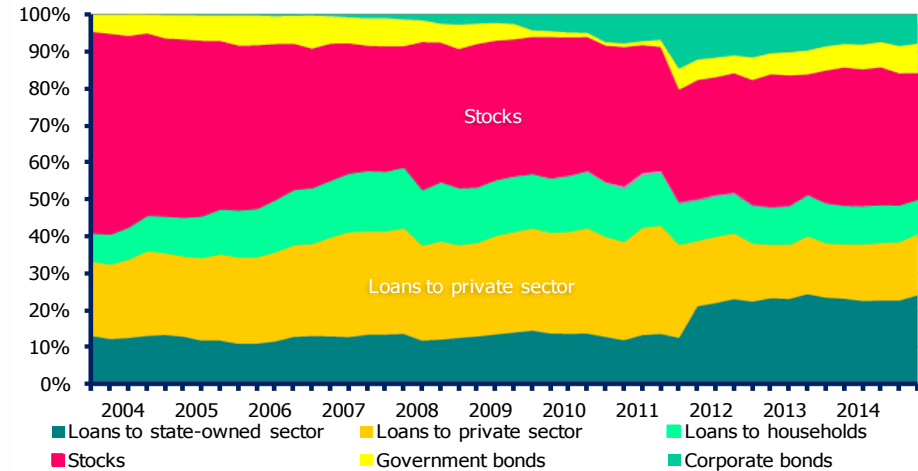


Fig. 3.18 – SDEO structure

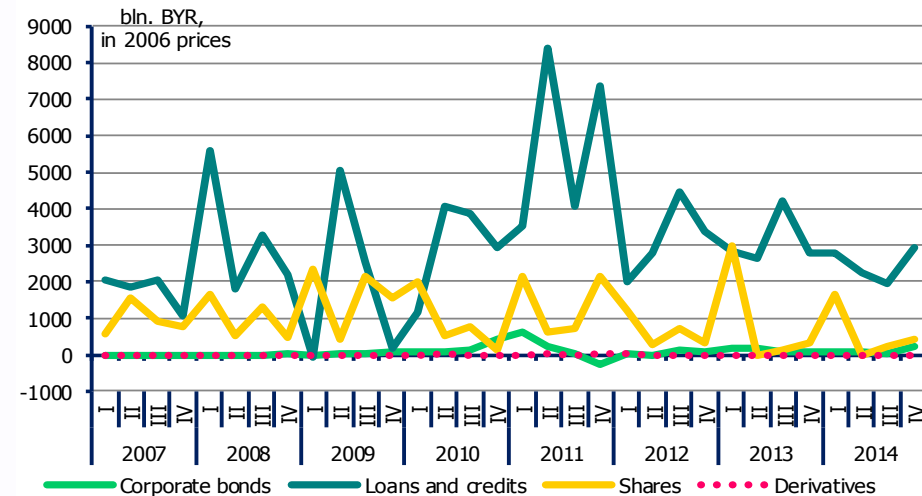


Fig. 3.19 – Attracted resources of enterprises by financial instruments

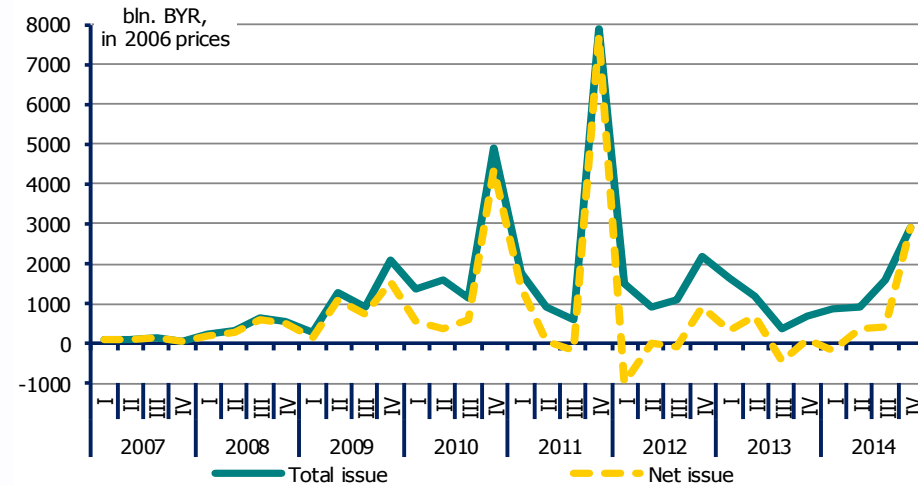


Fig. 3.20 – Corporate bonds issue

3.6 Borrowing in the economy

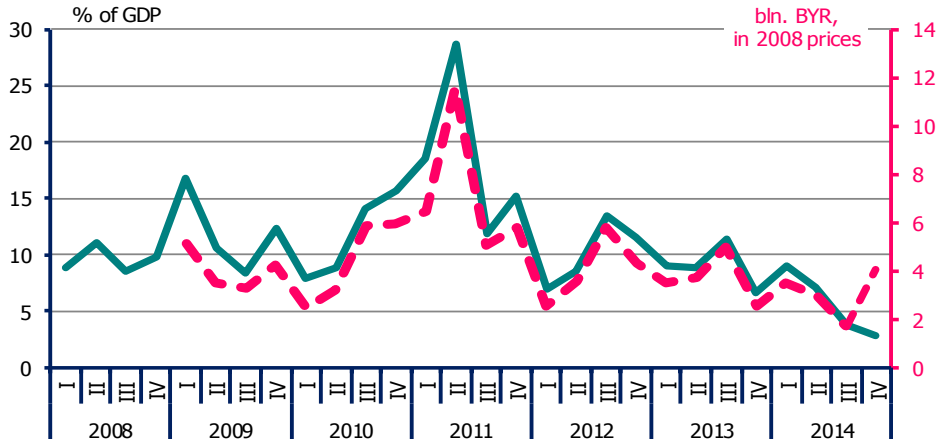


Fig. 3.21 – Financial sector claims on enterprises

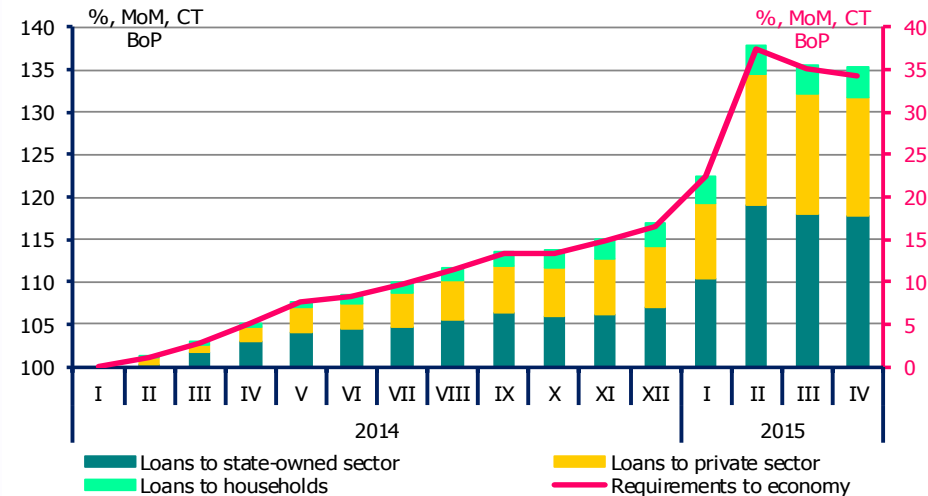


Fig. 3.23 – Bank's claims on the economy

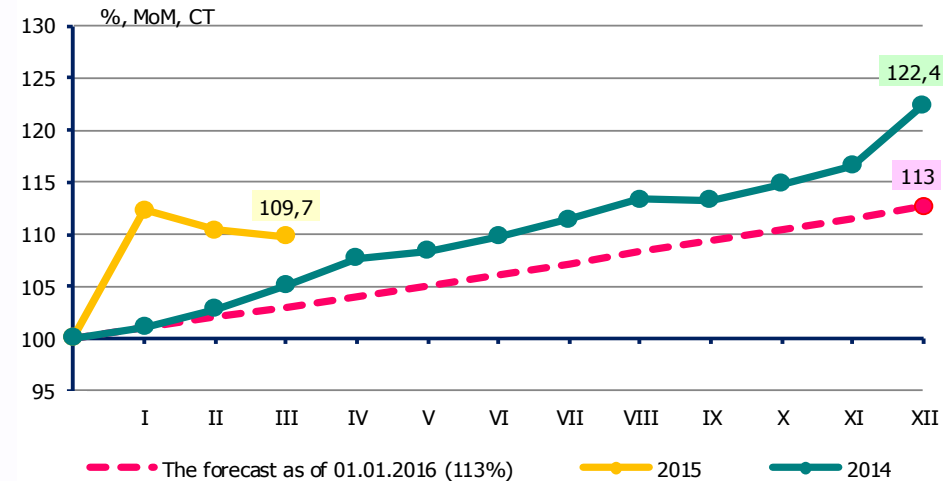


Fig. 3.22 – Bank's claims on the economy

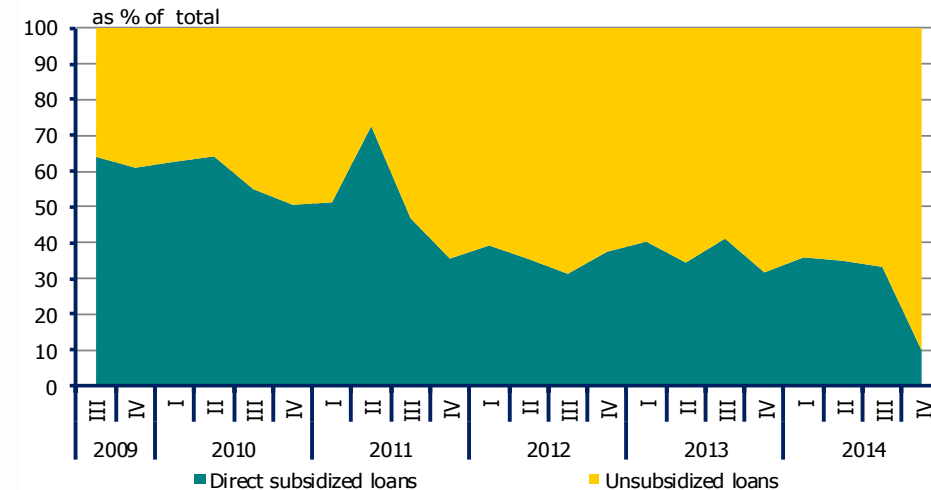


Fig. 3.24 – Preferential loans in total loans of commercial banks

3.7 Foreign exchange market

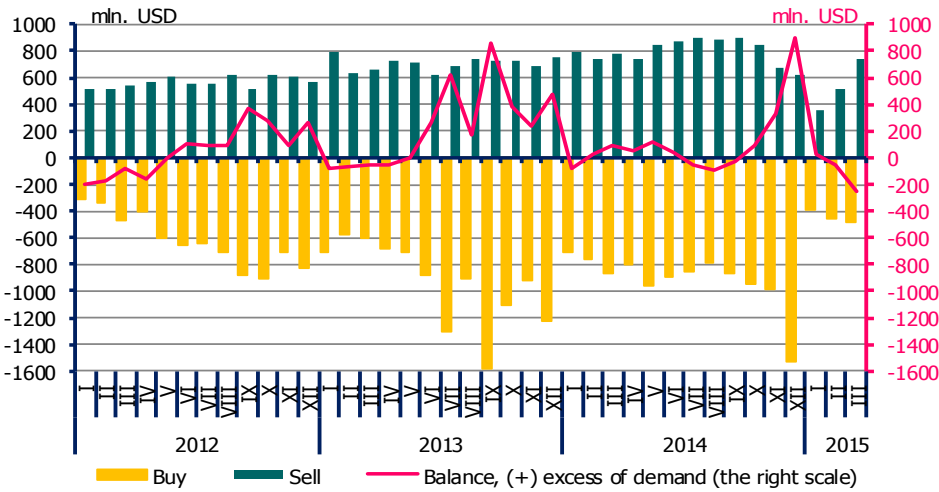


Fig. 3.24 – Buy and sell volumes of foreign exchange market by households

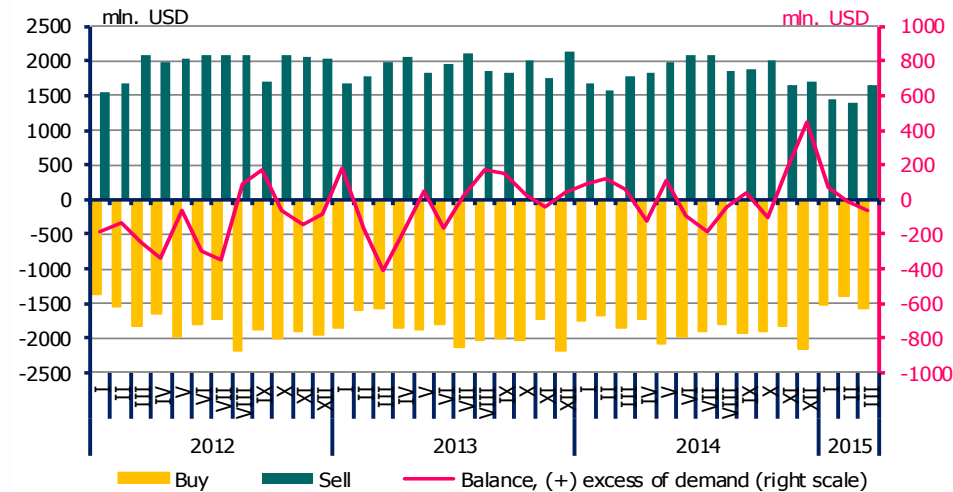


Fig. 3.25 – Buy and sell volumes of foreign exchange market by companies

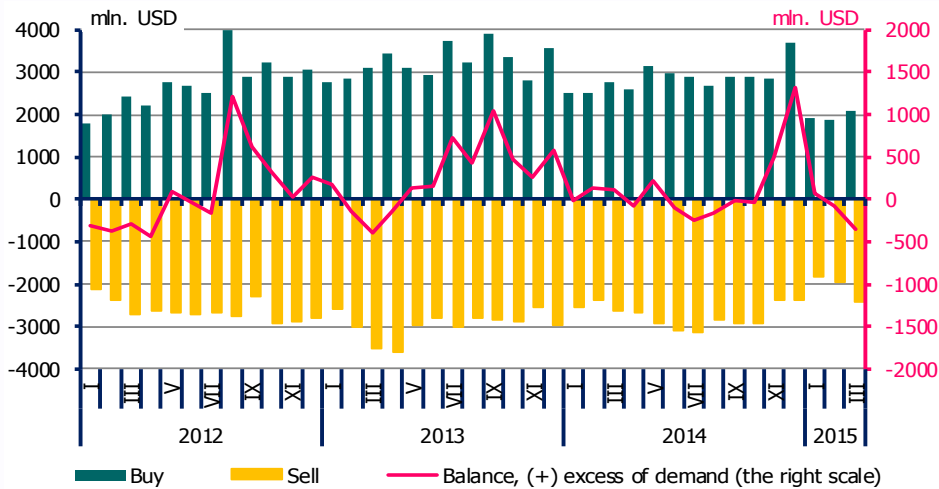


Fig. 3.26 – Total buy and sell volumes of foreign exchange market

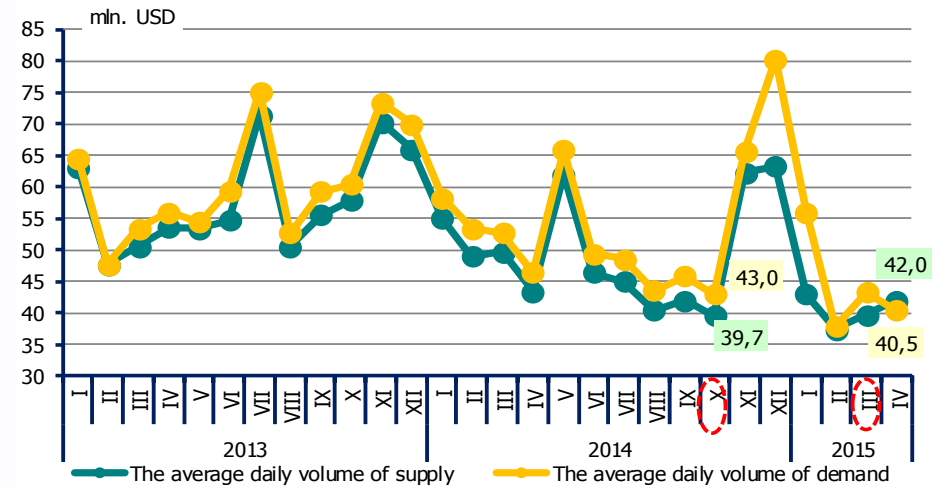


Fig. 3.27 – The average daily volume of supply and preliminary demand of the foreign currencies on the stock exchange

4.1 Balance of payments

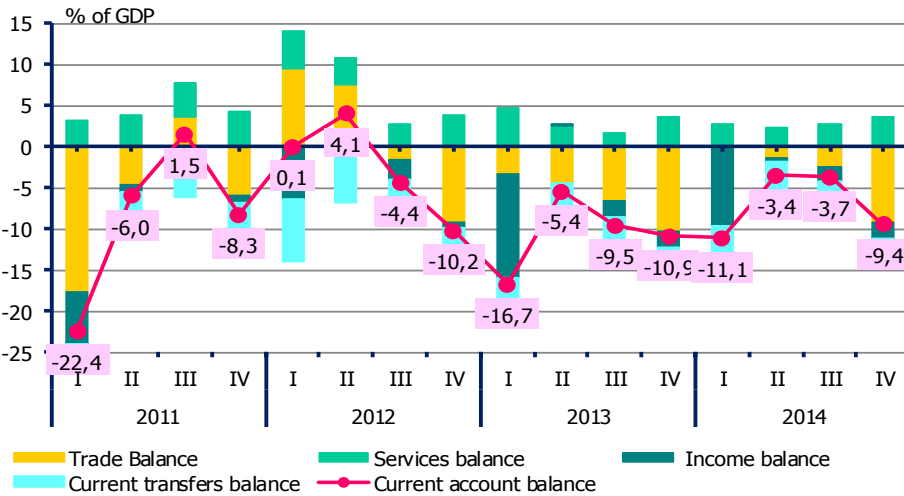


Fig. 4.1 – Current account balance

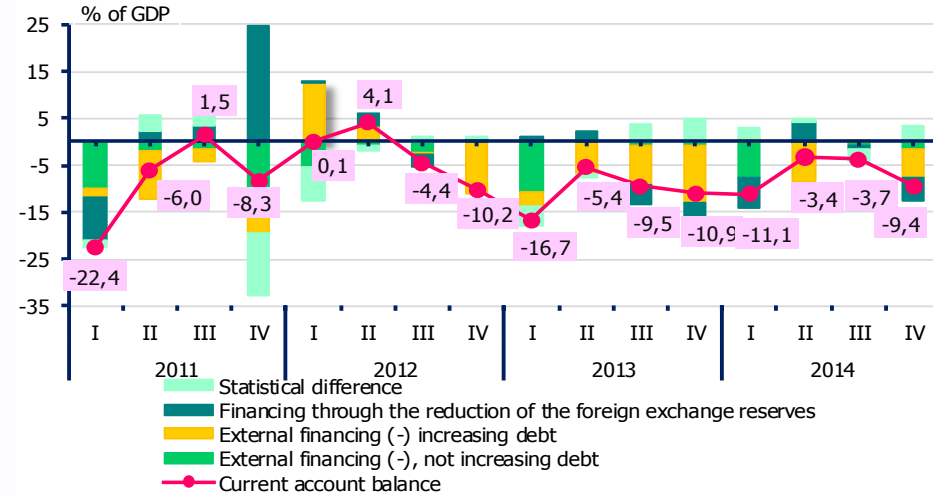


Fig. 4.2 – Sources of financing of balance of payments deficit

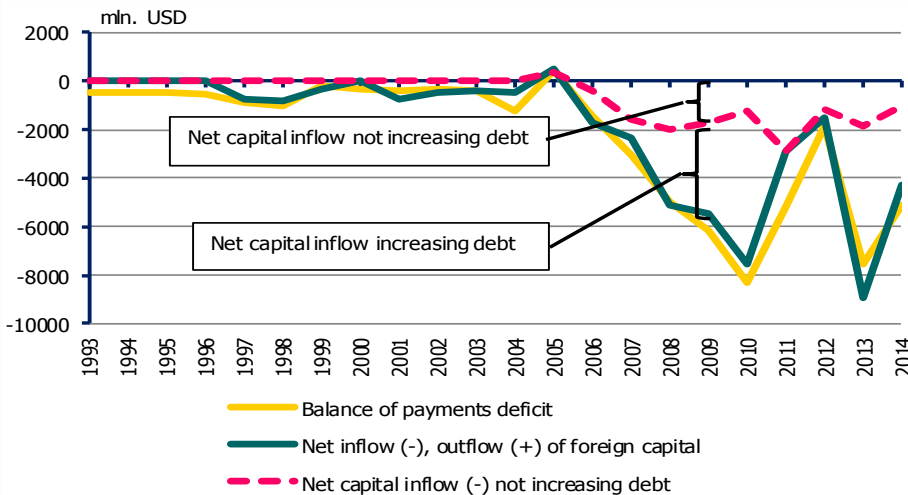


Fig. 4.3 – Net capital inflow to cover the current account's deficit

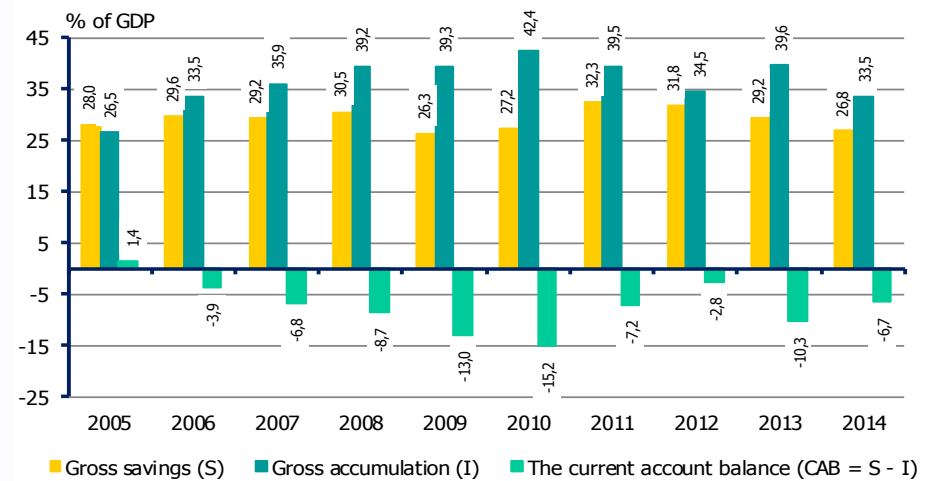


Fig. 4.4 – The resource gap

4.2 Foreign trade

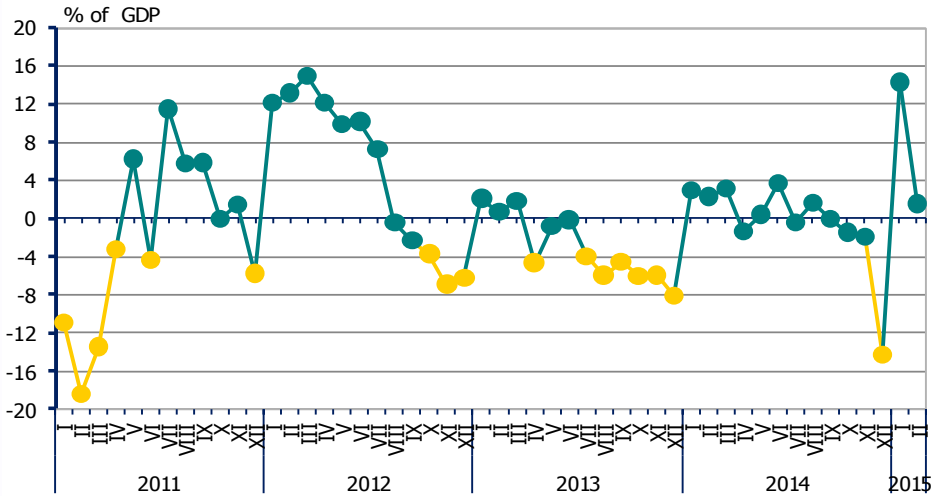


Fig. 4.5 – The ratio of trade balance in goods and services to GDP

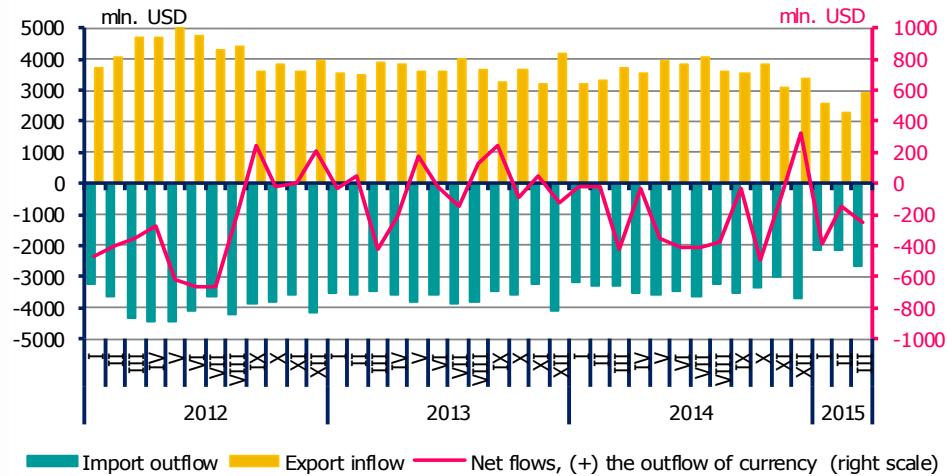


Fig. 4.6 – Foreign exchange inflow from export and outflow for import

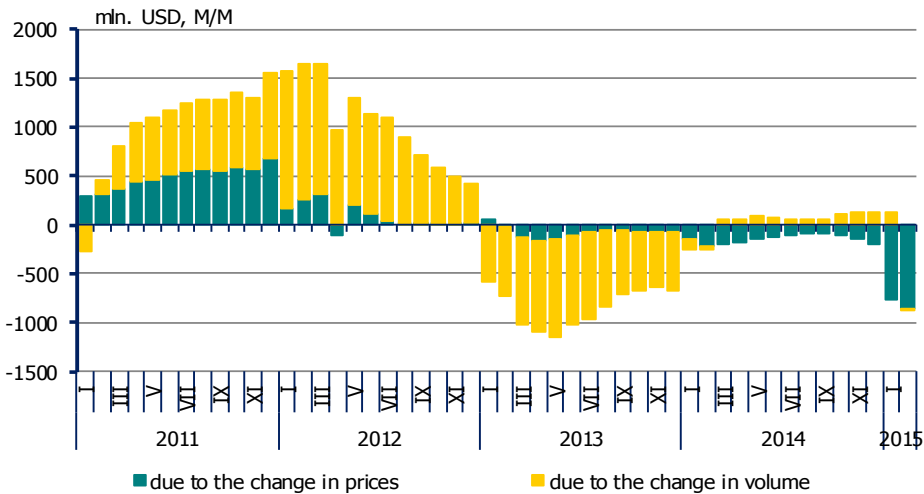


Fig. 4.7 – Changes in export of goods

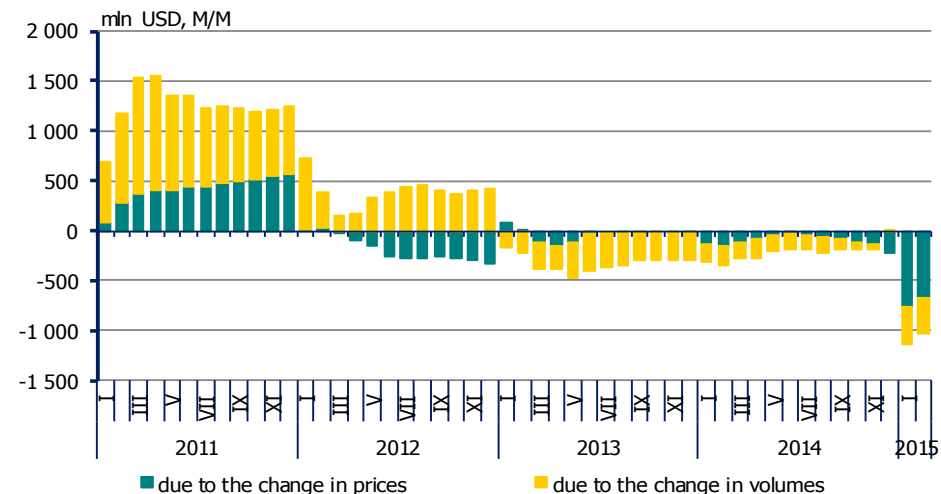


Fig. 4.8 – Changes in import of goods

4.3 External conditions and diversification of exports

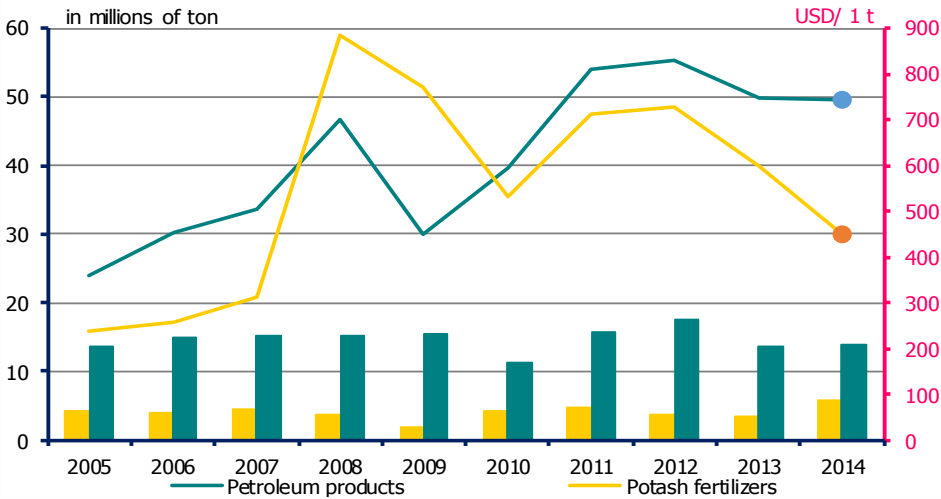


Fig. 4.9 – Export volumes and export prices

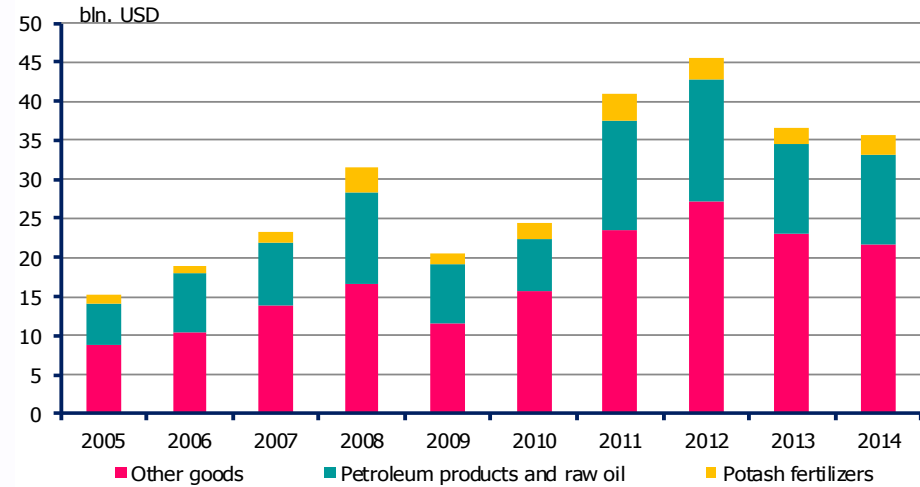


Fig. 4.10 – Export volume of goods

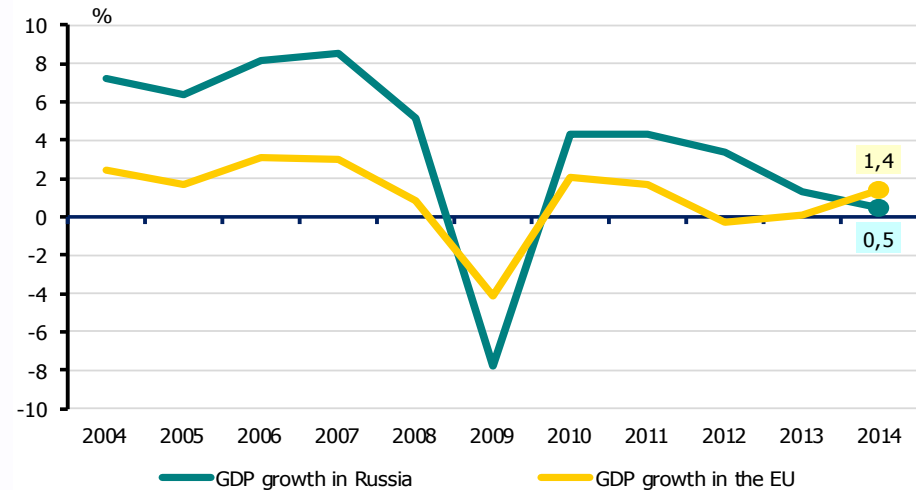


Fig. 4.11 – GDP growth in Russia and the EU

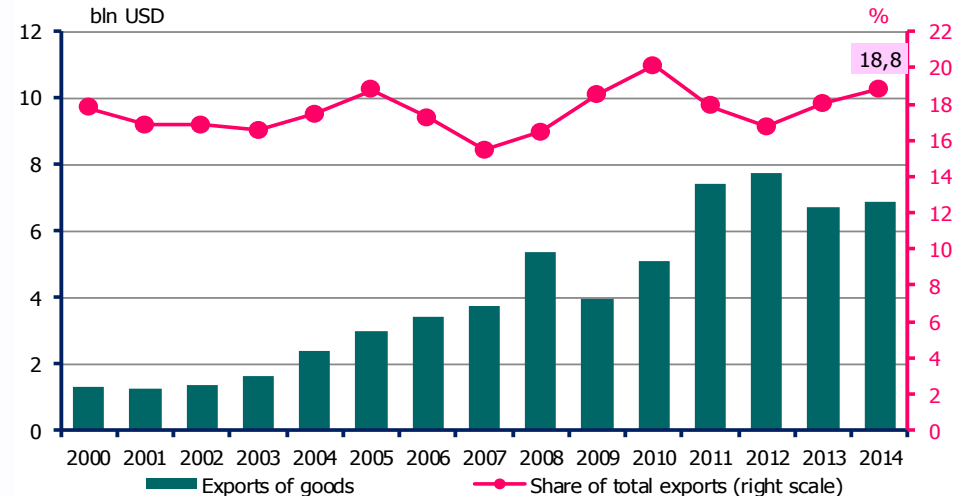


Fig. 4.12 – Export of goods without 10 largest trading partners

4.4 External debt

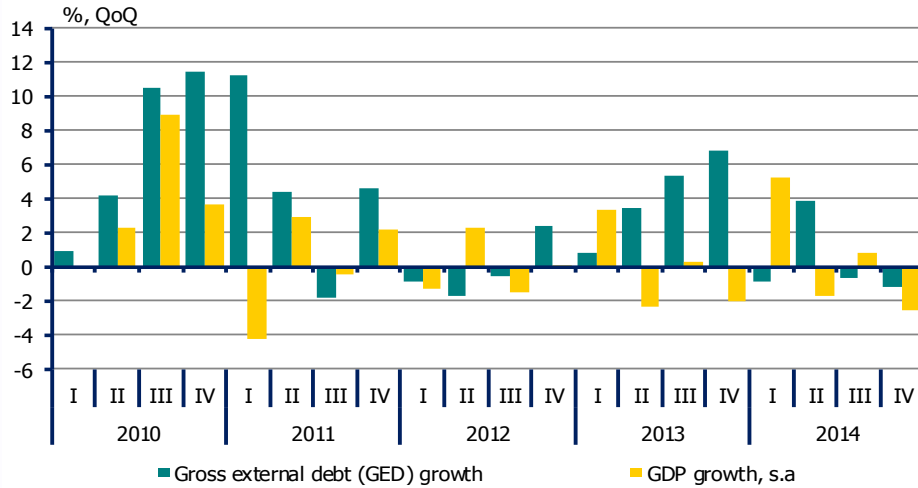


Fig. 4.13 – Growth rates of GED and GDP

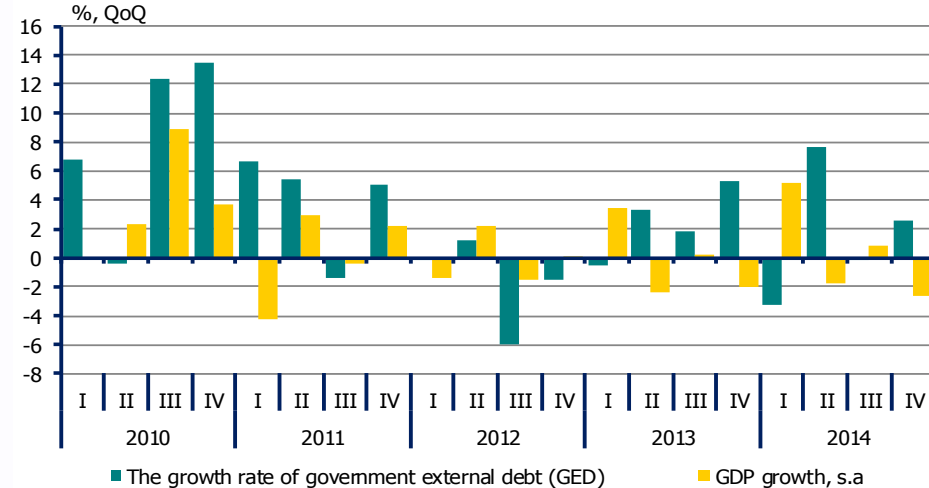


Fig 4.14 – Growth rates of GovED and GDP

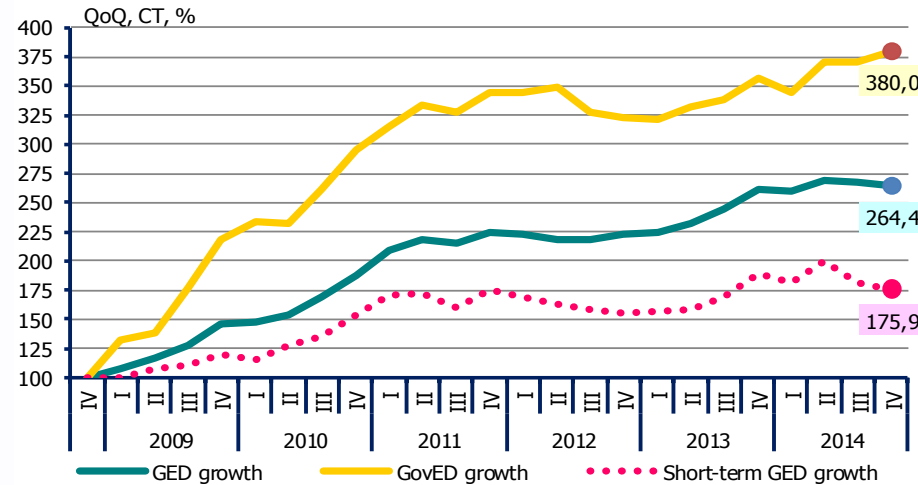


Fig. 4.15 – GED, GovED and short-term GED

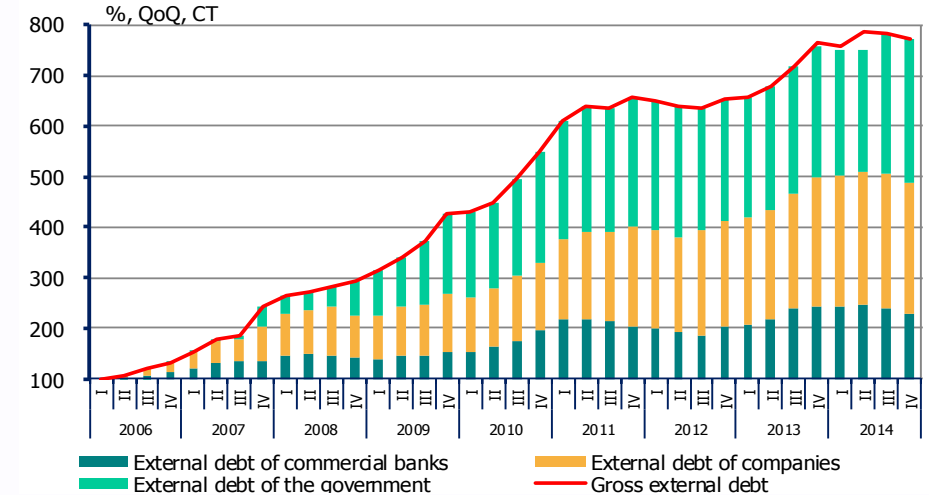


Fig. 4.16 – Dynamics of structure of gross external debt

4.5 Creditworthiness

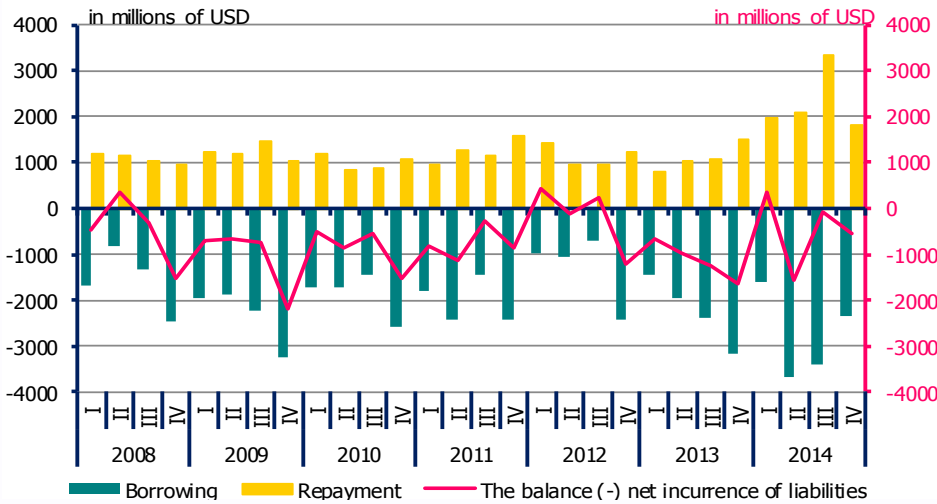


Fig. 4.17 – Borrowing and repayment of foreign loans

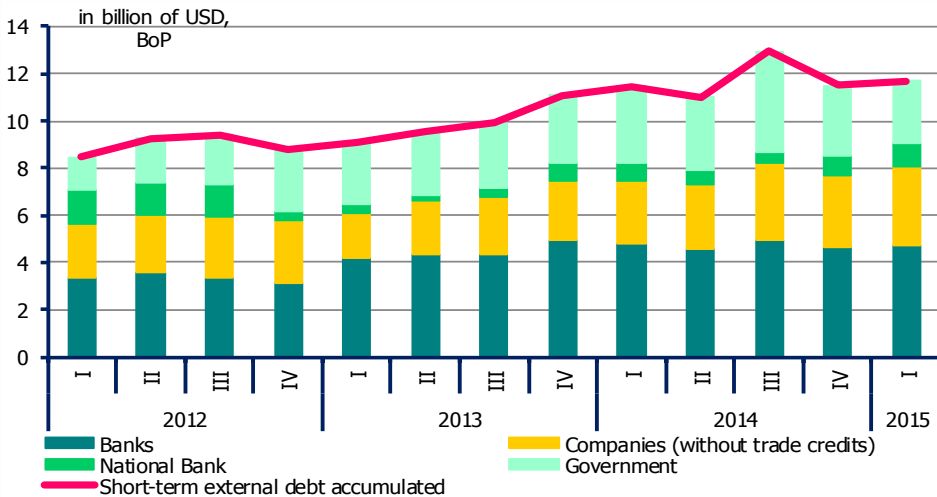


Fig. 4.19 – Short-term GED by residual maturity maturity

Agency	Index	Forecast	Meaning
S&P	B-	stable	Highly speculative commitments
Moody's	Caa1	negative	Very high credit risk commitments
Fitch	B	stable	Highly speculative commitments

Fig. 4.18 – The credit rating of Belarus 14.05.2015 r.

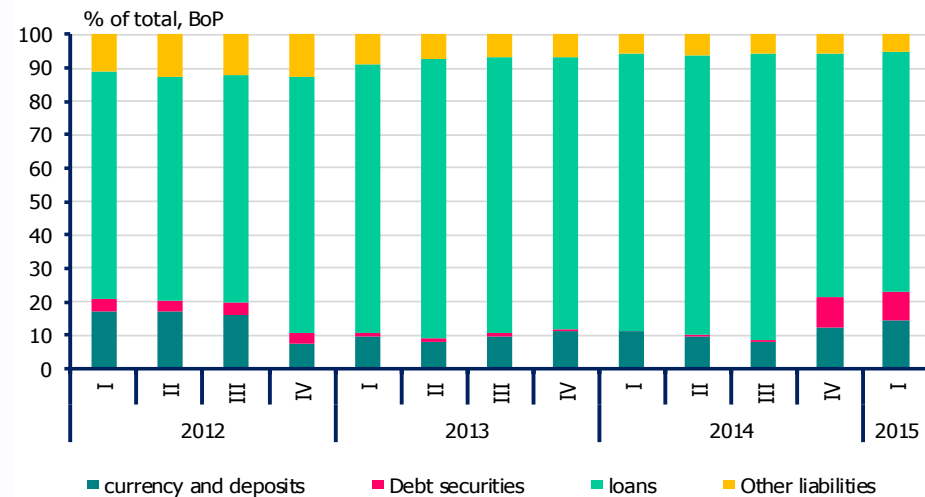


Fig. 4.20 – Short-termed GED by financial instruments

4.6 Real exchange rate and price competitiveness

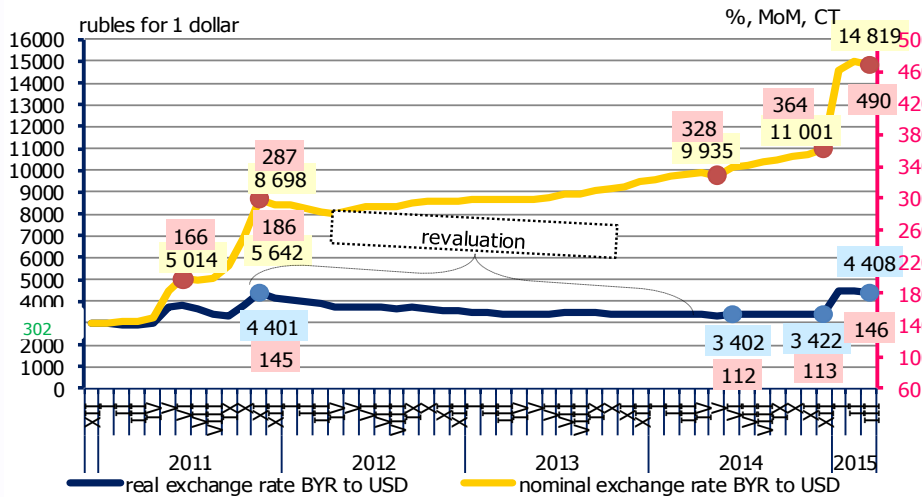


Fig. 4.21 Nominal and real exchange rate of BYR to USD (calculated by CPI)

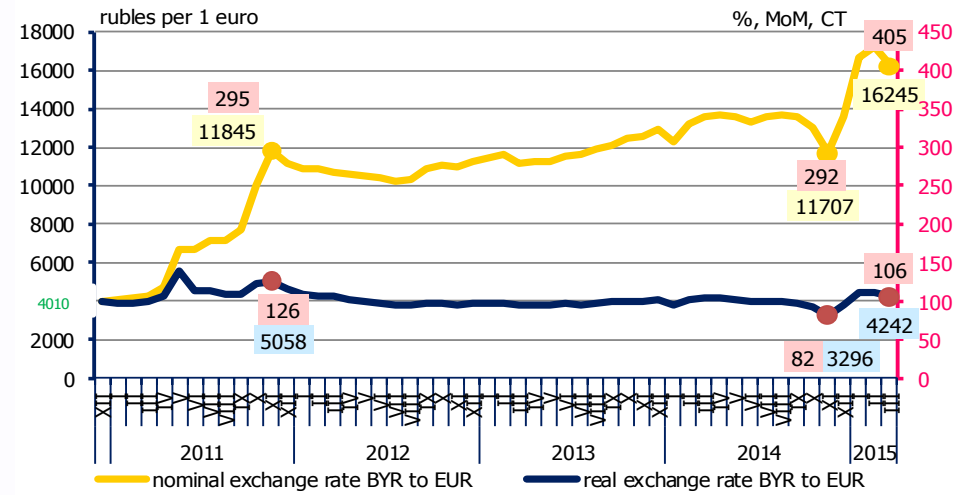


Fig. 4.22 - Nominal and real exchange rate of BYR to EUR (calculated by CPI)

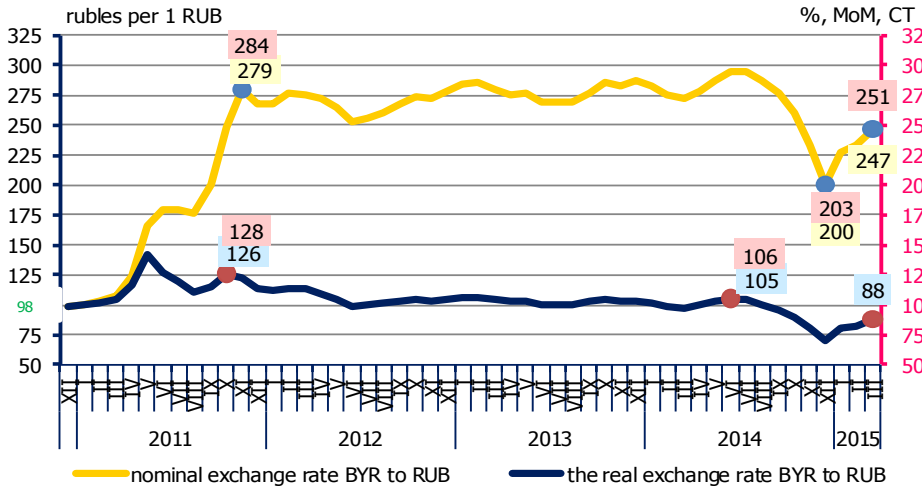


Fig. 4.23 - Nominal and real exchange rate of BYR to RUB (calculated by CPI)

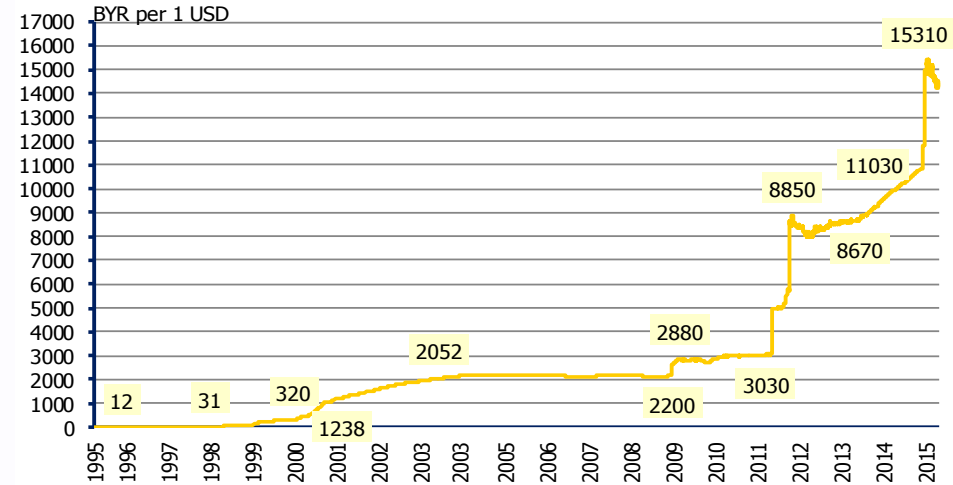


Fig. 4.24 – Exchange rate of BYR to USD

4.7 Foreign-exchange reserves

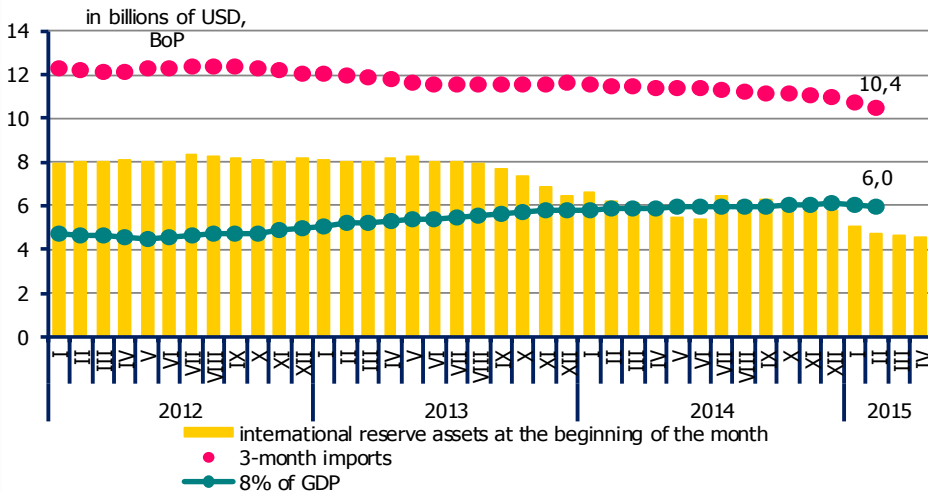


Fig. 4.25 – The level of adequacy of the reserves

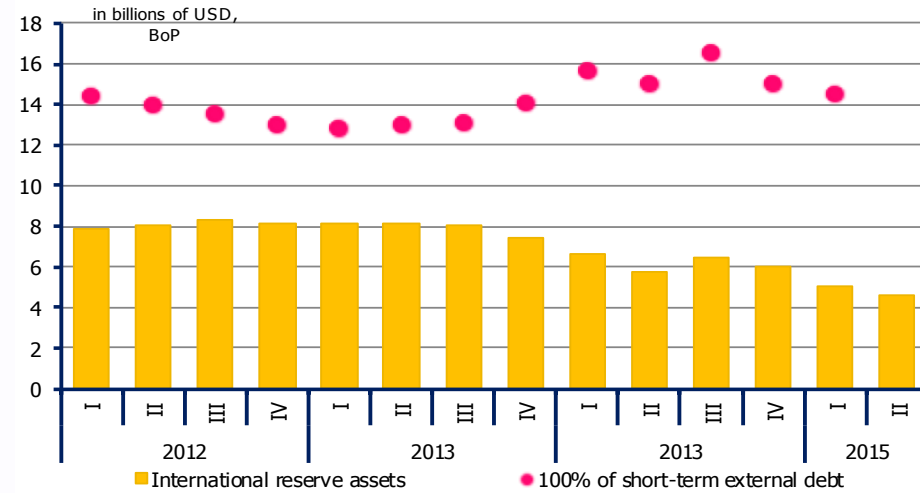


Fig. 4.26 – The level of adequacy of reserves

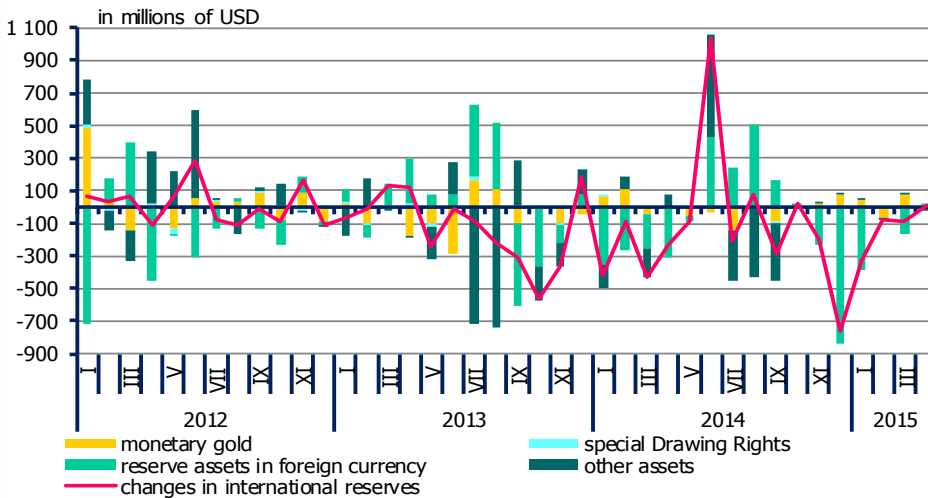


Fig. 4.27 - IRA structure

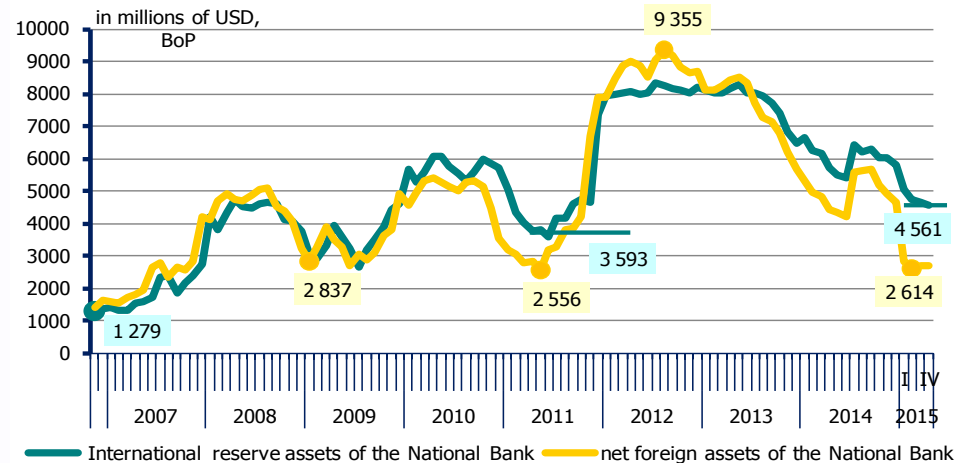


Fig. 4.28 - IRA and NFA of the National Bank

4.8 Net foreign assets

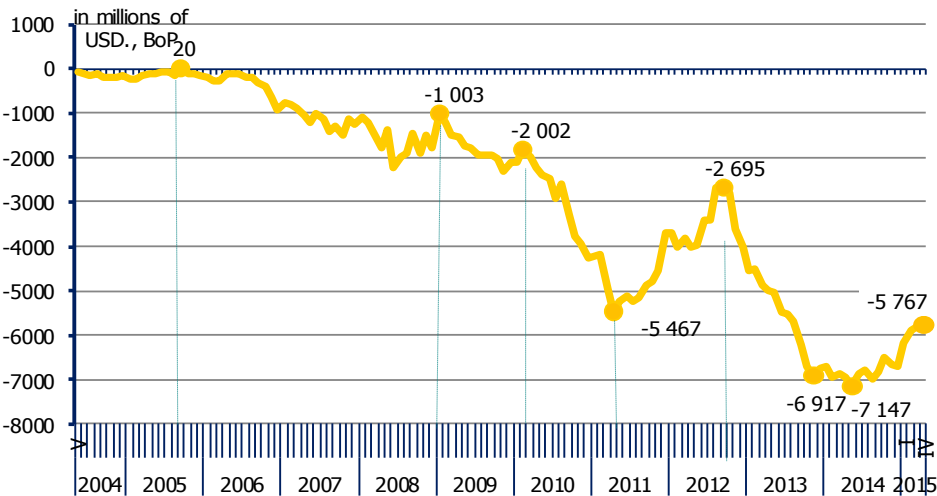


Fig. 4.29 – NFA of commercial banks

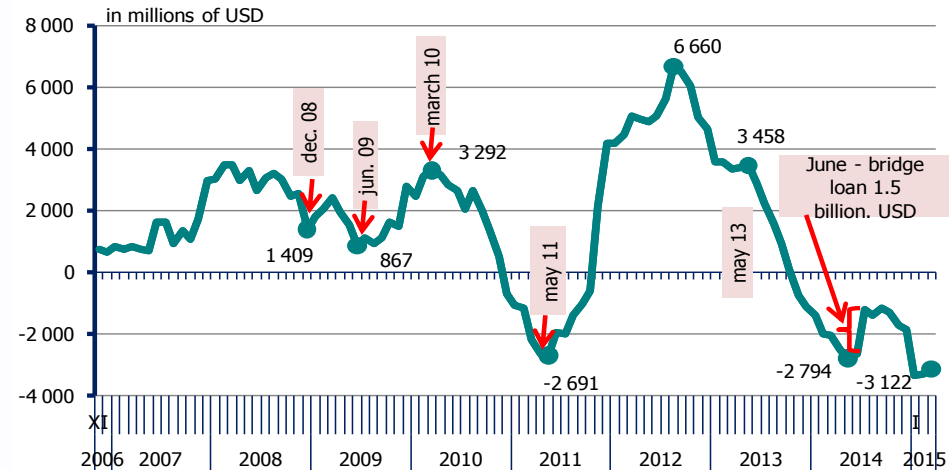


Fig. 4.30 – NFA of the banking system

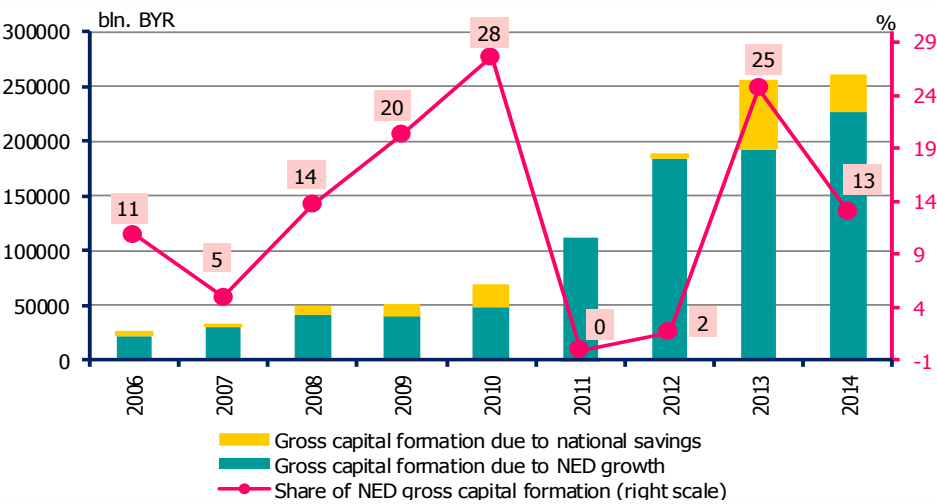


Fig. 4.31 – Gross capital formation due to NED growth

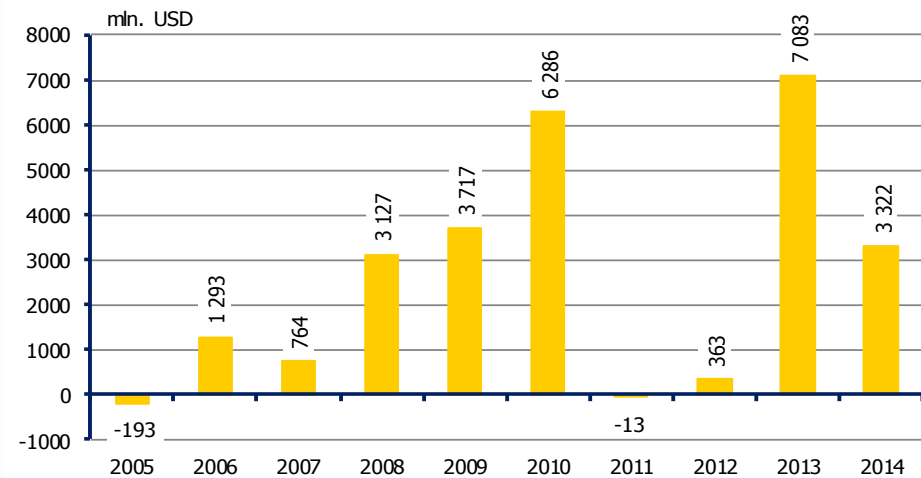


Fig. 4.32 – NED Growth

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