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## QUANTITATIVE AND QUALITATIVE ESTIMATION OF THE STATE DEBT OF THE REPUBLIC OF BELARUS

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**Abstract.** The article analyzes the quantitative and qualitative assessment of the public debt of the Republic of Belarus (RB); it is emphasized that the budgetary capacity of the Republic of Belarus, the state of its foreign exchange reserves, and, consequently, the stability of the national currency, the level of interest rates, the investment climate depends on the nature of the resolution of the debt problem.

**Keywords:** state debt of the Republic of Belarus, internal and external public debt, national currency, foreign exchange reserves.

At the present stage of world's economy development, public debt is an integral part of the economies of the most countries. It plays an important role in macroeconomics, as its formation, maintenance and repayment have a significant impact on the state of public finances, the monetary system, the consumption structure, the investment climate, and the development of international cooperation. Therefore, addressing public debt problem is the key to macroeconomic stabilization of the country. [1]

The public debt is the amount of the state's debt on credit operations, which is the result of borrowings with a deficit in the state budget. Depending on the currency, one distinguishes domestic (*debt obligations of government bodies before legal and physical persons*) and external (*before foreign states, organizations, individuals*) debt.

At the beginning consider the internal public debt of the Republic of Belarus (RB) for 2014 – 2018. (see the table 1).

Table 1 – Internal public debt of the Republic of Belarus  
for 2013–2017, million rubles

Date	The amount of the internal public debt of the Republic of Belarus, million rubles
01.01.2014	3569,6
01.01.2015	4838,0
01.01.2016	9744,3
01.01.2017	10234,2
01.01.2018	9175,6

Note – Source: Own development based on data [2].

Based on the data in the table 2, the amount of the domestic public debt of the Republic of Belarus tends to increase. As of 01.01.2018 it amounted to 9175.6 million rubles, which is 5606 million rubles or 157% more than in 2013.

In January 2018 domestic currency government bonds for individuals were placed in the amount of \$ 6.1 million. There were repaid foreign currency government bonds for legal entities in an amount equivalent to \$ 51.8 million.

According to the draft budget for 2018, the limit of domestic public debt of Belarus is set at 10 billion rubles.

The growth of the domestic public debt of any country indicates a difficult or even pre-crisis situation in the economics of the country and this applies to the Republic of Belarus too. Domestic public debt is financed from internal and external sources. At the same time, the country's external debt must be within certain limits otherwise it may have a negative impact on the economic development of the country. Therefore, we will analyze the external public debt of Belarus for 2013–2017.

Table 2 – External public debt of the Republic of Belarus for 2013–2017, million US dollars.

Date	The amount of the external state of the debt of the Republic of Belarus, million US dollars
01.01.2014	12440,8
01.01.2015	12580,2
01.01.2016	12446,3
01.01.2017	13645,1
01.01.2018	16726,8

Note – Source: Own development based on data [3].

Based on the data in the table 2, we see that in five years there has been an increase in the external public debt of the Republic of Belarus. So for 2017, it increased

by \$ 4,286 million or by 34% compared with 2013.

The largest increase occurred in 2017 as a result of repeated increases in the prices of gas and oil imported from the Russian Federation, deterioration in the conditions of oil refining.

And now consider the question with public debt of Belarus as a whole. In accordance with the data of tables 1 and 2, the state debt of Belarus as of January 1, 2018 amounted to 42.2 billion rubles and increased by 5.2 billion rubles, or 14.1%, compared to the beginning of 2017 (see the table 3). It should be noted that at the end of 2017, the state debt of the Republic of Belarus reached its maximum for a quarter century of country independence.

The problems of public debt are also among the key problems that are actively dealt with by government agencies regulating any market economics and the country's economic growth directly depends on the efficiency of their solution [4].

Table 3 – State of public debt of the Republic of Belarus

Date	Public debt, total		External public debt		Internal government debt	
	million rubles.	% of GDP	million rubles.	% of GDP	million rubles.	% of GDP
01.01.2016	32 855,9	32,5	12 446,3	22,7	9 744,3	9,8
01.01.2017	36 958,0	39,4	13 645,1	28,5	10 234,2	10,9
01.01.2018	42 172,5	39,3	16 726,8	30,7	9 175,6	8,6

Note – Source: Own development based on data [2, 3]

To control the size of the state debt of the Republic of Belarus, the annual law on the republican budget establishes the limits of external and internal public debt, which you can see at the table 4.

Table 4 – Limits of external public debt of Belarus

	Year		
	2016	2017	2018
Limit of external public debt, billion US dollars	17	17,85	19,6
Limit of external debt guaranteed by RB, billion US dollars	3,5	3,4	3

Note – Source: Own development based on data [3]

According to the table 4, we can see that during the period from 2016 to 2018 there is a tendency to increase the limit of external public debt. The limit of external debt guaranteed by Republic of Belarus during the analyzed period, decreased and amounted to \$ 3 billion in 2018.

On the basis of the conducted analysis it can be noted that the main creditors of the Republic of Belarus for 2016–2018 were the government and banks of the Russian Federation, the Eurasian Fund for stabilization and development, anti-crisis Fund of the Eurasian Economics' Community and banks of China. As of January 1, 2018, credit resources provided by the Government and banks of Russia increased by \$ 757.5 million. Loans provided by the People's Republic of China in 2017 increased by \$ 140.9 million compared to 2016. As a result, as of January 1, 2018, the amount of loans granted increased by \$ 2,105.8 million compared to January 1, 2017 [1].

At the same time, it should be taken into account that the non-stop growth of the country's public debt can lead to such negative consequences as: a fall in GDP, an increase of unemployment, reduction in the inflow of foreign investment, instability of prices in the domestic market, population's distrust to the economic policy pursued in the country, a decrease in the quality of population's life, etc. [5].

Thus, in order to avoid the negative impact of public debt on the economic situation of the Republic of Belarus and in frame of management of public borrowing, the following may be proposed:

- improving the efficiency of the use of borrowed funds, which should be provided by a corresponding increase in the production of goods and services based on new advanced technologies;
- do max possible reduction in the cost of debt by extending the term of borrowing and reducing the cost of payments on debt obligations;
- debt' repayment schedule should be drawn up in such a way that there are no periods of peak loads, and the main payments would fall on the moments of the expected growth of the economics;
- for the repayment of external public debt to use the issue of the mobilization of domestic foreign currency loan to the extent required for consistent coverage of foreign debt payments (or parts of them);
- do repayment of public debt by export commodity deliveries. Such a scheme is also advantageous in that there is an increase in exports and the development of domestic competitive production;
- using of various conversion schemes for the repayment of external loans.

Thus, the budgetary capacity of the Republic of Belarus, the state of its foreign exchange reserves, and, consequently, the stability of the national currency, the level of interest rates, the investment climate, the behavior of all segments of the domestic financial market depends on the nature of the solution of the debt problem, and as a consequence it will be a source of accelerated socio-economic development of the Republic of Belarus. [5]

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