

CURRENT ISSUES OF ECONOMIC AND FINANCIAL DEVELOPMENT IN THE REPUBLIC OF BELARUS

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The Republic of Belarus is a country located in Eastern Europe, with a population of around 9.5 million people. Over the years, the country has faced numerous economic and financial challenges, ranging from inflation and currency devaluation to debt accumulation and limited foreign investment. In this essay, we will explore the current issues of economic and financial development in the Republic of Belarus and their potential impact on the country's future.[1]

One of the most pressing issues facing the Republic of Belarus is its high level of debt. The country's external debt reached over \$18 billion in 2020, accounting for around 39% of its GDP. As a result, the Belarusian government has been forced to borrow heavily from international lenders, including the International Monetary Fund (IMF), to finance its budget deficit. However, this has led to concerns about the country's ability to repay its debts, particularly as its economy continues to struggle.

One of the key issues facing Belarus is its dependence on Russia for energy and trade. The country relies heavily on Russia for its energy needs, and in 2020, the two countries failed to reach an agreement on oil prices, leading to a disruption in supplies. This disruption had a severe impact on Belarus's economy, which relies heavily on the petrochemical industry. Additionally, Belarus's trade with Russia accounts for a significant portion of its exports, and any disruption in this trade relationship could have a significant impact on the country's economy.[2]

Another challenge facing the Republic of Belarus is its limited foreign investment. Despite the country's efforts to attract foreign investors, including the establishment of free economic zones and the introduction of investment-friendly policies, the level of foreign investment remains low. This is largely due to concerns about the country's political stability and the lack of transparency in its business environment. [3]

In addition to these issues, the Republic of Belarus is also facing significant inflationary pressures. In 2020, the country's inflation rate reached over 6%, driven by rising food prices and the devaluation of its currency, the Belarusian ruble. This has had a significant impact on the country's population, particularly those on low incomes, who have seen their purchasing power decrease as prices continue to rise.

To address these challenges, the Republic of Belarus needs to implement a range of economic and financial reforms. This could include measures to reduce its debt burden, such as increasing revenue through tax reform or cutting government spending. The government could also work to improve the country's business environment and increase transparency to attract more foreign investment.

Another potential solution is to strengthen the country's ties with its neighbors in the European Union (EU). This could involve working to improve political relations and implementing economic reforms that align with EU standards. By doing so, the Republic of Belarus could benefit from increased trade and investment flows from its neighbors.[4]

In conclusion, the Republic of Belarus is facing significant economic and financial challenges that require urgent attention. The country's high level of debt, limited foreign investment, and inflationary

pressures are all contributing to a difficult economic environment. To address these challenges, the government needs to implement a range.

References

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