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## NATIONAL BANK POLICY IN OVERCOMING THE CRISIS PHENOMENA IN THE BYELORUSSIAN ECONOMY

1. The distinctive feature of the year 2009 will be the work in the conditions of the world financial crisis. The peak of it is expected exactly this year.

The country and its bank system particularly face a range of global new problems, demanding urgent solution.

A lot of measures are taken to prevent the increase of crisis phenomena in the national economy. Emphasis is placed on the strengthening the bank system and on the creation of the so-called “safety pillow”, that means the increase of official reserves by means of attraction the international loans of other countries and international organizations.

Thus Russian Federation has allocated credits to Belarus the amount of 3,5 billion USD for the last two years. Belarus has also received the first tranche of the 2,5 billion USD credit from the IMF to the amount of 800 million USD and expects to receive the second one of 1 billion USD in April. A currency swap with China was made to the sum of 20 billion CNY (nearly 2,8 billion USD). The Republic of Belarus carries on negotiations to receive additional loans guaranteed by the state from Russian banks to the amount of 2 billion USD.

2. Other arrangements are also made to attract the investments in the bank system of the Republic. Particularly, the refinancing rate of the National bank was raised from 12 to 14 % on the 8 of January of the current year. It is expected to promote the more thrifty usage of financial resources of commercial banks. Moreover it will attract the public to deposit in the national currency due to the rise of deposit interest.

3. The share of presence of foreign capital in the bank system was increased from 25 to 50 %. It allowed to attract additional investment and to raise the volume of bank capital. It rose the last year from 6,5 trillion to 11,3 trillion BYR (approximately 4 billion USD) or relative 73,3 %. It is also planned to open three new banks in the nearest future. More than 10 million USD has been already generated for the statutory fund. Nowadays there are 31 active banks in the Republic, 25 of them are created with the help of foreign capital and 8 of the last are completely foreign.

4. National bank cooperates actively with central banks of Russia, Ukraine, Latvia and Lithuania. The attention of the cooperation is focused on the elaboration and realization the measures on the reduction of crisis phenomena of world economic crisis. An interdepartmental group of experts was created to study and analyze the world experience of overcoming the consequences of world economic crisis.

5. A new currency policy has been introduced since 2 January 2009 to prevent the negative influence of the considerable changes of BYR to EUR and RUB. This policy is much more flexible and it provides the mutual stability of exchange rate to the currency basket of three currencies including EUR, USD and RUB. The possible deviation of basket price during the year is presumed not to exceed 5 %. With the introduction of a new currency policy BYR was devaluated on 20 % to each of the currencies in the new basket. It was done according to the agreement with the IMF in order to receive the credit.

6. In an effort to overcome the crisis the government gave the task to organize the most possible favorable business and investment climate in the Republic so that it will be able to get in the list of thirty countries with the most favorable conditions for foreign investors.