



January - December 2021

BELARUS: ECONOMIC SUMMARY

KEY TENDENCIES

- GDP growth above the forecasted level and preservation of macroeconomic balance
- Maintaining sustainability of the balance of payments and gross external debt
- Raising funds for refinancing the forthcoming payments on the public debt
- Record export volume of goods in the last 10 years
- Double increase in the surplus of foreign trade in goods and services compared to 2020
- Stable situation in the foreign exchange market and net supply of foreign currency
- Acceleration of inflation under the influence of predominantly external factors. The monetary policy had a restraining effect on the intensity of inflationary processes

MAJOR EVENTS

- In order to level out the consequences of the spread of the second wave of COVID-19, certain clauses of Decree No. 143 "On support to economy" were extended. Deferrals on rent payments for the first half of 2021 with installment payments in the second half of 2021 were granted, permits for online sales of over-the-counter medicines were extended until July 1, 2021, business entities were given the option of not conducting an inventory for 2020, certain issues in the field of labor relations were regulated.
- In 2021 the current account surplus amounted to USD1.8 billion, or 2.7% of GDP (in 2020 the deficit was USD0.3 billion, or 0.4% of GDP). The balance of foreign trade in goods and services was positive in 2021 at USD 3.8 billion (5.5% of GDP). Foreign trade turnover of goods and services increased 1.3 times to USD 94.7 billion.
- To support the healthcare system during pandemic in 2021 funding was received from OPEC Fund in the amount of USD 20 million.
- The international rating agencies affirmed the long-term loan ratings of the Republic of Belarus: Standard & Poor's – level B (affirmed 29 September 2021), Fitch Ratings – level B (affirmed 5 November 2021). The negative outlook on the ratings has been maintained.
- The IMF mission consultations took place within the framework of Article IV of the IMF Charter in November-December 2021. 653.2 million Special Drawing Rights (equivalent to USD 932.7 million) allocated to the country under the new IMF General Allocation of Special Drawing Rights were received. The funds were used to replenish gold and foreign exchange reserves of the Republic of Belarus.
- In 2021 the Government of the Republic of Belarus and the National Bank fulfilled in due time and in full their foreign and domestic obligations in foreign currency in the amount of USD 3.1 billion.
- On 9 July 2021 a new version of the Law of the Republic of Belarus "On Currency Regulation and Currency Control" came into force, foreign exchange transactions of legal entities and individuals were simplified.
- The Law of the Republic of Belarus "On Investments" has been amended. Strengthening of the investor's property rights protection was provided by introducing a "stabilisation clause" guaranteeing stable conditions in the area of taxation to the investor implementing an investment project in the territory of the Republic of Belarus under the investment agreement, as well as limitations on the claims against the investor arising from the implementation of the investment, where such claims are not related to unlawful actions of the investor. Other measures are also provided to increase the investment attractiveness of the Republic of Belarus.
- The legal regime of the China-Belarus Industrial Park "Great Stone" has been improved. The amendments are aimed at improving the conditions of the legal regime of the China-Belarus Industrial Park "Great Stone", including in terms of: expanding the list of the park's main activities; improving business conditions (construction, land relations, taxation, labour migration issues); introducing advanced financial mechanisms when implementing investment projects (option, option agreement and convertible loan), etc.

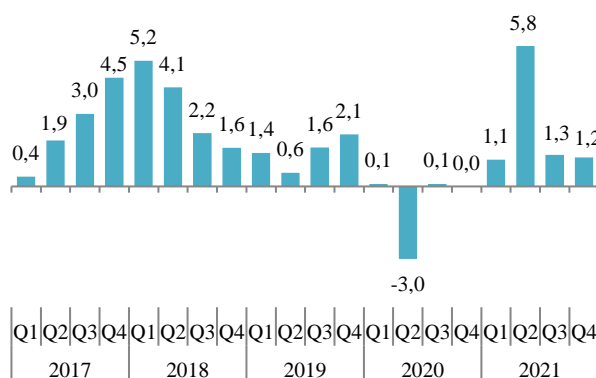


GROSS DOMESTIC PRODUCT

At the end of 2021 GDP growth was 0.5 percentage points above the forecast (101.8%) and amounted to 102.3%. Meanwhile, economic activity was stable during the year with quarterly GDP growth in the range of 1.1-1.3%, except for Q2, in which the growth spurt was due to the failure of the 2020 base due to the effects of the COVID-19 pandemic (Figure 1). In dollar equivalent GDP increased to USD 7.2 billion - from USD 61.2 billion in 2020 to USD 68.3 billion in 2021.

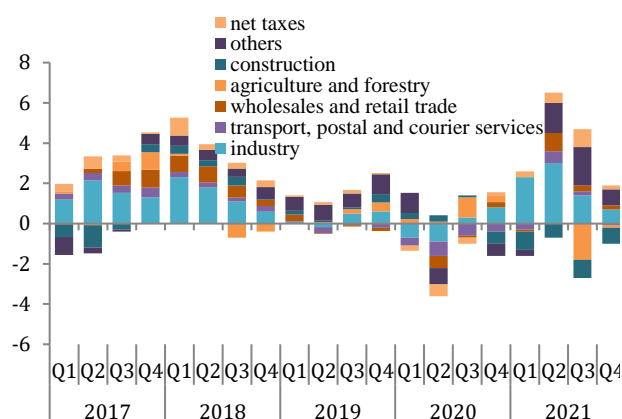
The support for economic dynamics from the supply side was ensured by an increase in GVA in industry (by 6.5%, contribution to GDP - 1.6 p.p.), information and communication (by 9.2%, contribution to GDP - 0.7 p.p.), trade (by 3.2%, contribution to GDP - 0.3 p.p.) and transport (by 1.6%, contribution to GDP - 0.1 p.p.) as well as by other sub-sectors of service sector (Figure 2).

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



Source: <http://www.belstat.gov.by>, 2021 Q4 – estimated

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



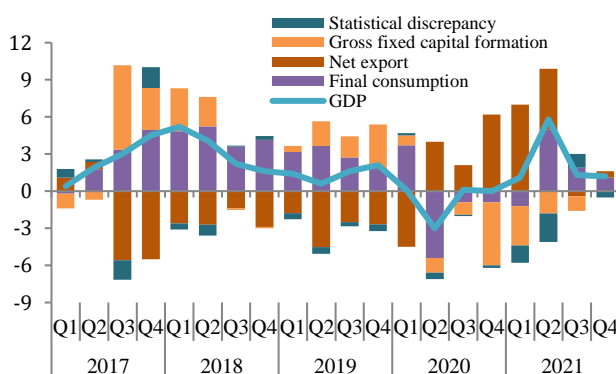
Source: <http://www.belstat.gov.by>, calculations of the Ministry of Economy

The country's economic growth was mainly supported by external demand (Figure 3).

Household income growth has been secured. The growth rate of real disposable income of the population was 2%, with the outstripping growth rate of salaries (4.4%). This supported consumer activity - retail turnover grew by 1.6% compared to 2020 level. In addition, against the background of the reduced negative impact of the spread of COVID-19, the volume of catering turnover and paid services increased by 114.4% and 113.3% respectively compared to 2020.

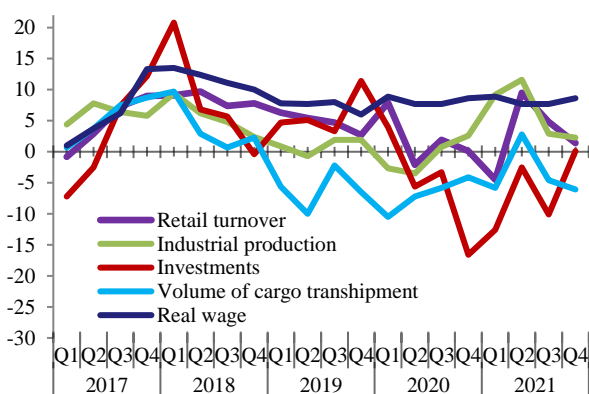
Economic growth has been achieved while maintaining economy balance. Current account surplus of USD 1.8 billion or 2.7% of GDP was generated. At the same time, a record foreign trade balance - USD 3.8 billion or 5.5% of GDP was achieved.

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



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

Figure 4. Growth indicators, % q/q previous year



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



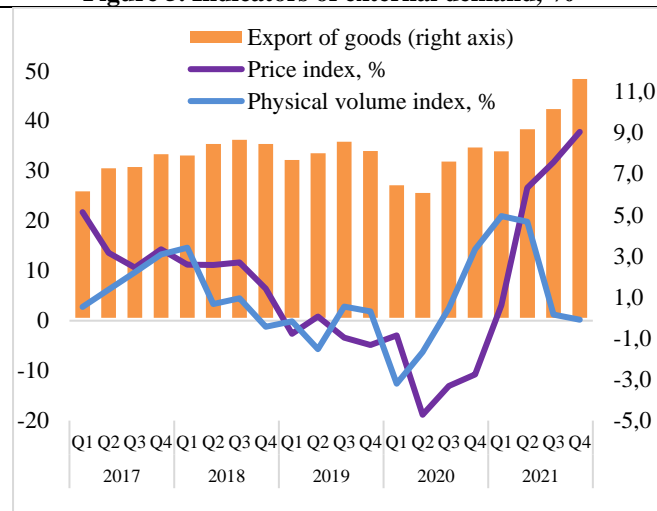
EXTERNAL TRADE

Against the backdrop of recovering economic activity in foreign markets and favourable commodity environment, export of goods reached USD 39.9 billion in 2021, the best result since 2012 (USD 46.1 billion).

The outstripping growth of export of goods (137.4%) over import (131.0%) has improved the balance of foreign trade in goods by almost 2.5 times or by USD 1.2 billion.

While in the first quarter of 2021 the growth in export was due to an increase in physical volumes of supply, in the second and fourth quarters it was mainly due to higher prices for exported products (Figure 5).

Figure 5. Indicators of external demand, %

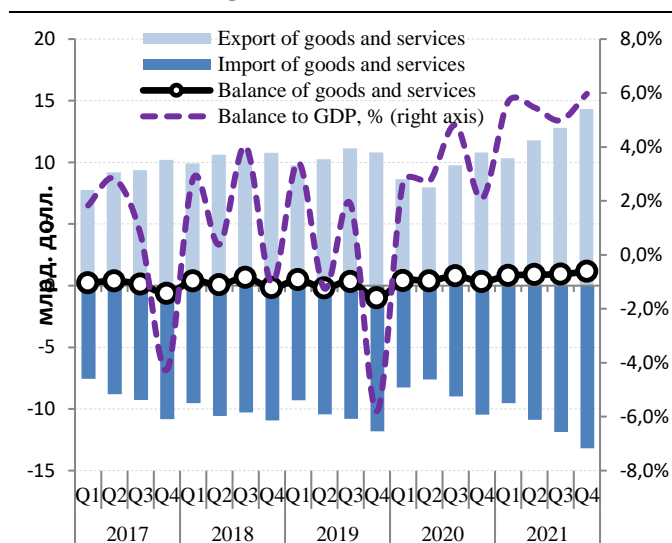


Source: <http://www.nbrb.by>, <http://www.belstat.gov.by>, calculations of the Ministry of Economy

The average export price index for 2021 was 124.4%, the main influence was due to an increase in the price of intermediate goods – 134.4%. The physical volume index was 109.9%.

Figure 6. External trade

In 2021 export increased in all consolidated commodity groups. The growth rate of exports in the consumer goods group was 121%, including food products - 117%, non-food products - 126.1%, other intermediate goods - 136.8%, investment goods - 128.5%. The highest growth rate was noted in exports of energy commodities (an increase of 1.8 times or by USD 2.6 billion), against the background of an increase in the world price of oil (the Urals price increased 1.7 times from USD 41.73/barrel to USD 69.0/barrel).



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

The highest growth of export in 2021 was observed for the following commodity items: oil products, potash fertilizers, oil, trucks, sawn timber, ferrous metals, cars, rapeseed oil, other furniture, fibreboard and particleboard.

Export of services by the end of 2021 reached another high of USD 10.2 billion, with the highest growth recorded for transport (+ USD 690 million) and IT services (+ USD 518 million).

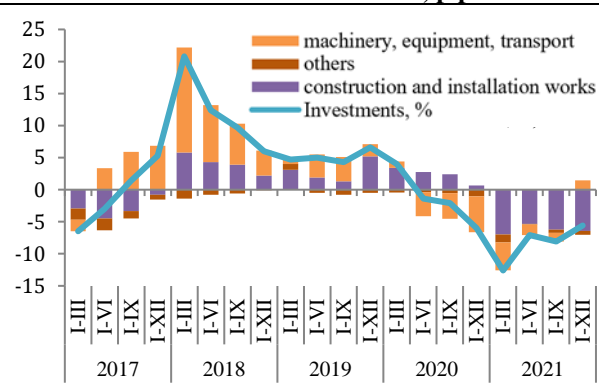


INVESTMENTS

2021 was characterized by some slowdown in investment activity due to the negative impact of the COVID-19 pandemic on the economic development of the entire world economy. Due to the epidemiological situation, postponed implementation of some large investment projects (suspension of import equipment supplies, difficulties with arrival of foreign specialists etc.) the growth rate of investments in fixed assets amounted to 94.4% compared to the level of January-December 2020 (contribution of expenditures for construction and installation works - minus 6.4 p.p., for purchase of machinery, equipment and transport vehicles - plus 1.4 p.p.) (Figure 7).

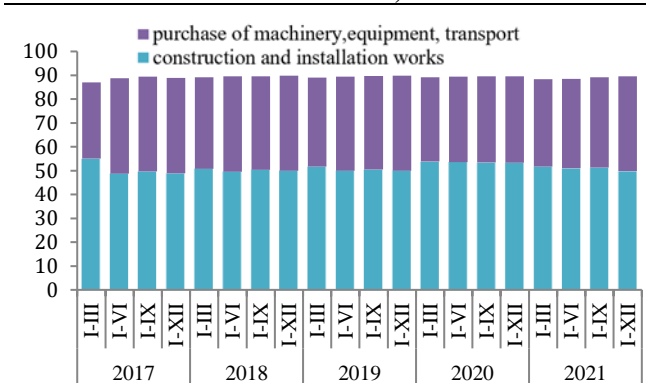
The share of investments in the renewal of the active part of fixed assets in 2021 was in the range of 39%-40%. The processes of technological renewal of production "did not decrease their turnovers" and even slightly increased compared to 2020 (Figure 8).

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

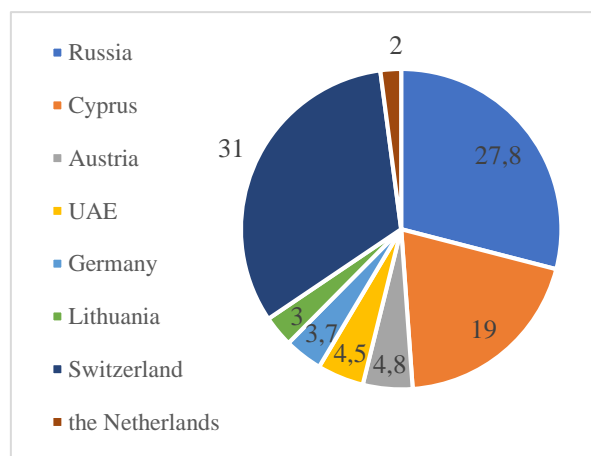
Figure 8. Technological structure of investment in fixed assets, %



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

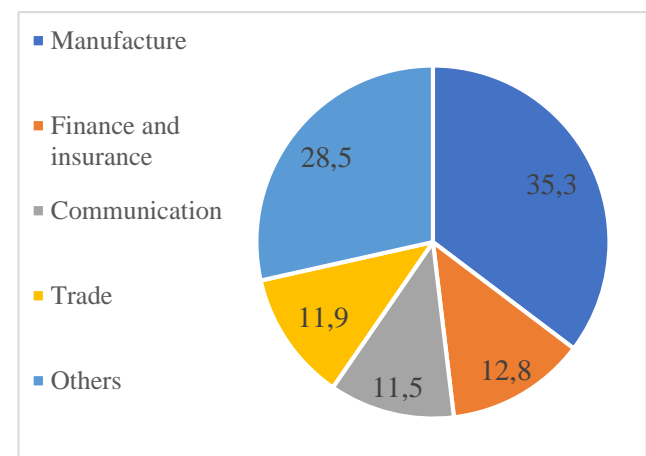
In 2021 the amount of raised foreign investments in the Republic of Belarus made USD 8.7 billion, including direct investments - USD 6.6 billion. The net amount of foreign direct investment on a net basis (hereinafter - FDI) amounted to USD1.3 billion (7.1% less than in 2020), 35% of it is in the industrial sector. The three main investors in FDI on a net basis are the Russian Federation (27.8% of the total amount) and Cyprus (19%) and Austria (4.8%) (Figures 9, 10).

Figure 9. FDI inflows by country, 2021



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

Figure 10. FDI inflows by activity, 2021



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



BALANCE OF PAYMENTS AND INTERNATIONAL RESERVE ASSETS

According to the results of 2021, the balance of payments of the Republic of Belarus was formed with a surplus due to a significant surplus on the current account.

The current account surplus of the balance of payments amounted to USD 1.8 billion (2.7% of GDP) against a deficit of USD 0.3 billion (minus 0.4% of GDP) in 2020.

In 2021 the balance of foreign trade in goods and services was in the amount of USD 3.8 billion (5.5% of GDP) against USD 1.9 billion (3.1% of GDP). The balance of foreign trade in goods improved by USD 1.2 billion due to the faster recovery of goods exports.

The foreign trade balance was also positively influenced by the foreign trade in services. The improvement in the balance of foreign trade in services in 2021 compared to 2020 made USD 0.7 billion.

The primary income balance remained at 2020 level and made minus USD 2.6 billion (minus 3.9% of GDP). The secondary income balance improved from 0.7% to 1% of GDP.

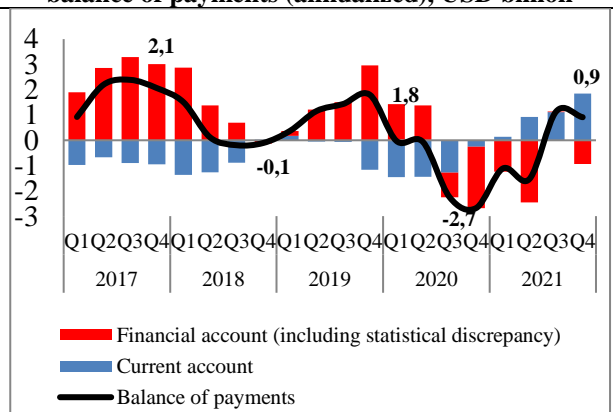
According to the financial account (excluding reserve asset transactions), net lending was USD 0.2 billion (0.3% of GDP) during the report period against net borrowing of USD 2.3 billion (3.7% of GDP) in 2020.

There was a capital outflow of USD 0.7 billion on the operations of the National Bank and the Government of the Republic of Belarus. Repayment of credits and loans and growth of short-term assets abroad were equally responsible for the net capital outflow in other sectors in the amount of USD 1.4 billion. The net accumulation of foreign assets by the banking sector amounted to USD 0.3 billion.

The inflow of financial resources in the Republic of Belarus from foreign direct investments made 1.9% of GDP against 2.1% of GDP in 2020.

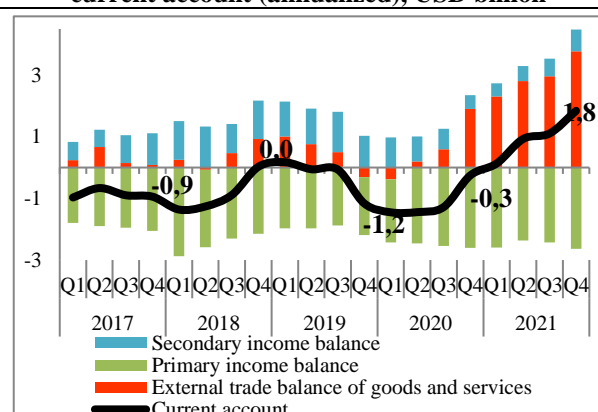
As a result, the positive balance of payments in 2021 amounted to USD 0.9 billion (1.3% of GDP) against a deficit of USD 2.7 billion (minus 4.4% of GDP) in 2020 ([Figures 11, 12](#)).

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



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

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



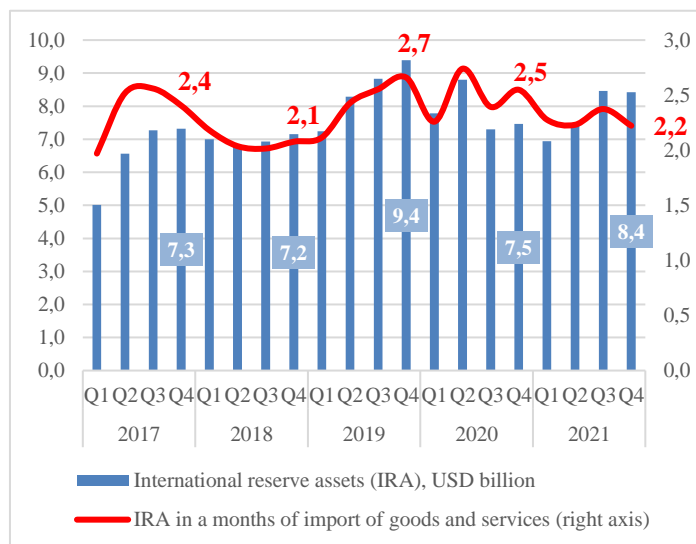
Source: <http://www.nbrb.by>



As of January 1, 2022, international reserve assets amounted to USD 8.4 billion, which corresponds to 2.2 months of imports of goods and services (Figure 13). The structure of international reserve assets as of January 1, 2022 is dominated by assets in foreign currency (43%) and monetary gold (37.1%).

At the end of 2021, the level of reserves increased by USD 1 billion. The purchase of foreign currency by the National Bank on the stock exchange contributed to the increase in the level of foreign exchange reserves in 2021, the distribution of special drawing rights of the International Monetary Fund, the receipt of foreign currency in the budget, including from the collection of export duties and placement of bonds denominated in foreign currency in the domestic market by the Ministry of Finance, as well as attraction of external government loans. At the same time, the Government and the National Bank of the Republic of Belarus ensured timely and full repayment of external and internal liabilities in foreign currency in the amount of about USD 3.1 billion. With a view to reducing the debt burden and improving the structure of gold and foreign exchange reserves, the National Bank did not attract external loans and credits in 2021, with liabilities under credits, loans, and securities in foreign currency of the National Bank decreased by USD 0.2 billion during the specified period

Figure 13. International reserve assets (end of period)



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



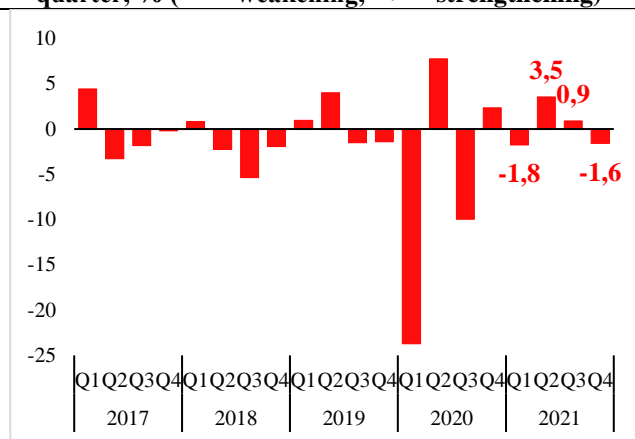
DOMESTIC FOREIGN EXCHANGE MARKET AND CURRENCY LIBERALIZATION

The situation in the domestic foreign exchange market in 2021 was stable, the net supply of foreign currency prevailed, which allowed the National Bank to partially compensate for the volume of gold and foreign exchange reserves spent to maintain financial stability in 2020. The Belarusian ruble strengthened against US dollar by 1.2% (Figure 14).

The exchange rate policy was carried out in the floating exchange rate regime. The changes of the exchange rate of the Belarusian ruble were mainly formed under the influence of market forces. The participation of the National Bank of the Republic of Belarus was limited to interventions necessary to flatten excessive daily fluctuations in the exchange rate, as well as to replenish the country's gold and foreign exchange reserves.

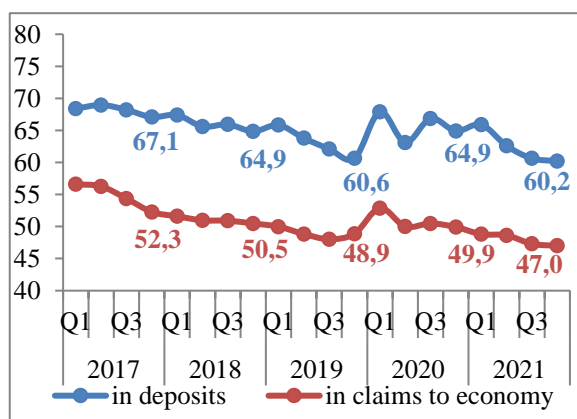
The process of de-dollarization in 2021 accelerated because of the Belarusian ruble's stabilization against foreign currencies. The share of foreign exchange deposits decreased from 64.9% as of January 1, 2021 to 60.2% as of January 1, 2022 (Figure 15).

Figure 14. Change in the exchange rate of the Belarusian ruble against the US dollar for the quarter, % (“-” - weakening, “+” - strengthening)



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

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



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

An important step of currency relations liberalization in the Republic of Belarus was the entry into force of the new edition of the Law of the Republic of Belarus “On Currency Regulation and Currency Control” on July 9, 2021. The Law defines the following approaches to the regulation of currency relations:

- the need to obtain permission for individuals - residents to conduct foreign exchange transactions related to capital flows, as well as to open accounts abroad by legal entities - residents is canceled;
- residents are assigned to register foreign exchange contracts providing for export (import) or investment transactions;
- as part of measures taken to decrease the foreign currency prevailing in economy the number of allowed cases of foreign currency usage (including cash) in the territory of the Republic of Belarus is limited;
- the issue by the National Bank of permits for foreign currency transactions in cases when such transactions are prohibited by foreign currency legislation is barred;
- the business entities are granted the right to purchase foreign currency in banks or at stock exchange without stating the purposes of its usage;
- the resident legal entities obtain the right to determine independently the terms of receipt of foreign exchange revenue to their accounts both in banks of the Republic of Belarus and in foreign banks;
- provisions on the receipt of the foreign currency revenue to accounts in banks of the Republic of Belarus (repatriation of foreign currency revenue) are preserved.



MONETARY POLICY

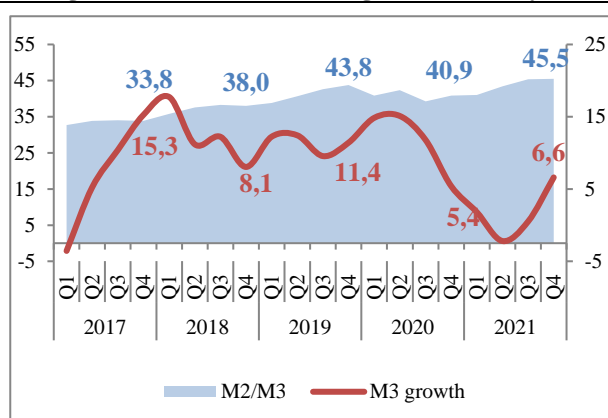
In 2021 inflation continued to accelerate under the influence of mainly external factors, such as an increase in world prices for food, as well as imported non-food products due to an increase in logistics costs and supply disruptions due to the pandemic, the abolition of the preferential VAT rate on certain goods. The annual increase in consumer prices in December 2021 amounted to 9.97% (Figure 18). Inflationary expectations of economic agents remained high, which also influenced the dynamics of consumer prices (Figure 19). The monetary policy maintained its focus on ensuring macroeconomic balance by restraining inflationary processes.

Средняя широкая денежная масса в годовом выражении в декабре 2021 г. по отношению к декабрю 2020 г. выросла на 6,6% при прогнозном промежуточном ориентире на 2021 год – 7–10% (график 16). Такая динамика денежного предложения оказывала сдерживающее влияние на инфляцию.

The refinancing rate was raised from 7.75% per annum at the end of 2020 to 9.25% per annum from July 21, 2021. The rates on permanently available and bilateral liquidity support operations (from 8.75% to 10.25% per annum) and the rate on permanently available liquidity withdrawal operations (from 6.75% to 8.25% per annum) were raised accordingly.

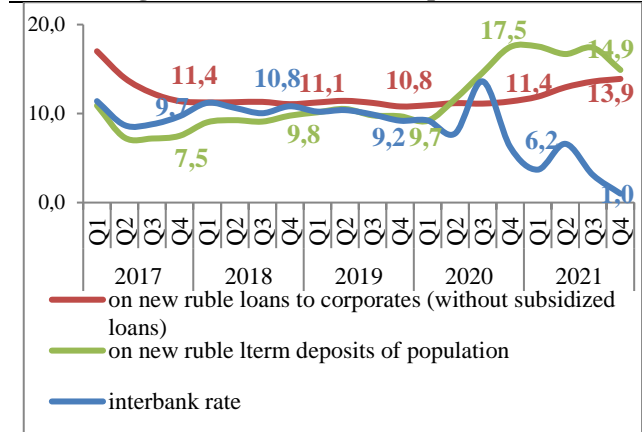
In December 2021, the average interest rates on new loans in national currency to legal persons averaged 13.9% per annum (in December 2020 – 11.4% per annum), on new time deposits of individuals – 14.9% per annum (in December 2020 – 17.5% per annum) (Figure 17).

Figure 16. Increase in average broad money, %



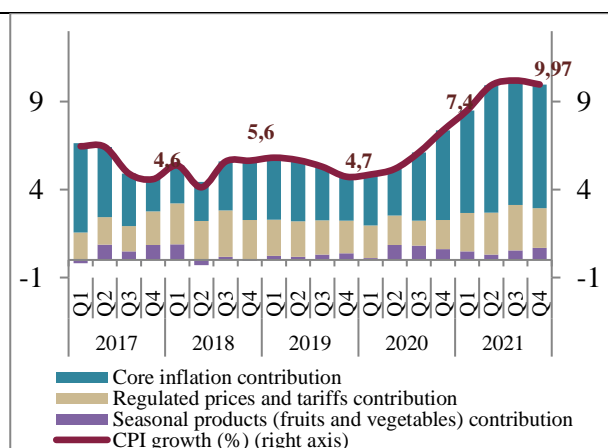
Source: <http://www.nbrb.by>, calculations of the National Bank

Figure 17. Interest rates, % per annum



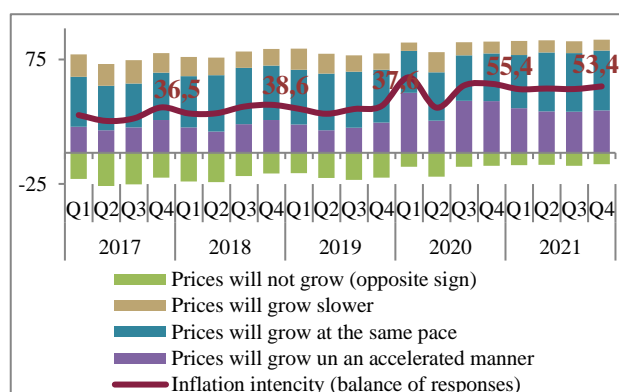
Source: <http://www.nbrb.by>

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 January 1, 2022, the banking sector of the Republic of Belarus included 23 operating banks. Foreign capital was present in 17 banks, with 14 banks having the share of foreign investors over 50% in their authorized fund, including three banks with 100% foreign capital. As of January 1, 2022, there were 4 representative offices of foreign banks in the territory of Belarus (Russian - 1, German - 1, Chinese - 1, and a representative of the Interstate Bank).

The aggregate registered authorized fund of operating banks increased by 823.9 million Belarusian rubles in 2021 and amounted, as at January 1, 2022, to 6,628.9 million Belarusian rubles, or about USD 2.6 billion in the equivalent.

As of January 1, 2022, the assets of operating banks amounted to 98,344.7 million Belarusian rubles (increase in 2021 – 8.6%). The share of assets in foreign currency decreased from 52.4% as of January 1, 2021, to 51% as of January 1, 2022. The volume of the operating banks' regulatory capital as of January 1, 2022 amounted to 13,924.6 million Belarusian rubles, having increased by 1,691.5 million Belarusian rubles, or by 13.8% in nominal terms in 2021. The bulk of the capital of the operating banks was concentrated in the five largest banks - 70.6%. As a result of 2021, profits earned by the operating banks amounted to BYN 1,331 million.

As of January 1, 2022, the balance of customers and banks' debts on credits and other active operations increased by 6.2% in 2021 and amounted to BYN 67,469.6.

The banking sector remained resilient to the most significant risks. The key indicators of financial stability and secure operation met the requirements. As of January 1, 2022, regulatory capital adequacy of operating banks amounted to 17.9% (the prescribed minimum value for an individual bank - 10% with the conservation buffer - 12.5%).

As of January 1, 2022, the non-performing assets of operating banks (assets classified under risk groups V and VI as well as restructured debt classified under risk groups IV and VI) amounted to BYN 4,028.3 million. The share of non-performing assets in the assets subject to credit risk made 5.3% as of January 1, 2022. The entirety of the special reserve for covering potential losses on assets subject to credit risk as of January 1, 2022 was 100% (the actual reserve to the estimated reserve). As of January 1, 2022, the level of leverage in operating banks amounted to 10.8% (the regulatory level was not less than 3%).

The National Bank is continuing to work on improving banking supervision considering the best practices and international standards, including the recommendations of the Basel Committee on Banking Supervision. In 2021:

a set of additional requirements of the National Bank for supervision of banking activities on a consolidated basis (requirements for submission of information on activities of a bank holding company, including information on significant influence, consolidated prudential and consolidated accounting (financial) statements; requirements for organization of risk management system in a bank holding company on a consolidated basis, etc.) are provided for extension to JSC "Development Bank of the Republic of Belarus";

the list of banking groups and banking holdings, for which secure operation indicators are established on a consolidated basis in order to supervise the banking activities, was specified;

the requirements to prepare and submit to the National Bank a consolidated balance sheet and a profit and loss statement prepared in accordance with the NSFR as of April 1, July 1, and October 1 were abolished;

the procedure for disclosure of information about the activities of the bank, JSC "Development Bank of the Republic of Belarus" and NCFO was improved.



Indicators	01.01.2021	01.01.2022
Authorized capital (registered), BYN million	5 805,0	6 628,9
Regulatory capital, BYN million	12 233,1	13 924,6
Regulatory capital adequacy, %	17,2	17,9
Profit, BYN million	1 017,0	1 330,9
Profitability of assets, %	1,1	1,4
Profitability of regulatory capital, %	8,9	10,0
Share of non-performing assets in the assets subject to credit risk, %	4,8	5,3
Adequacy of the provision for assets subject to credit risk, %	100,0	100,0



GOVERNMENT BUDGET

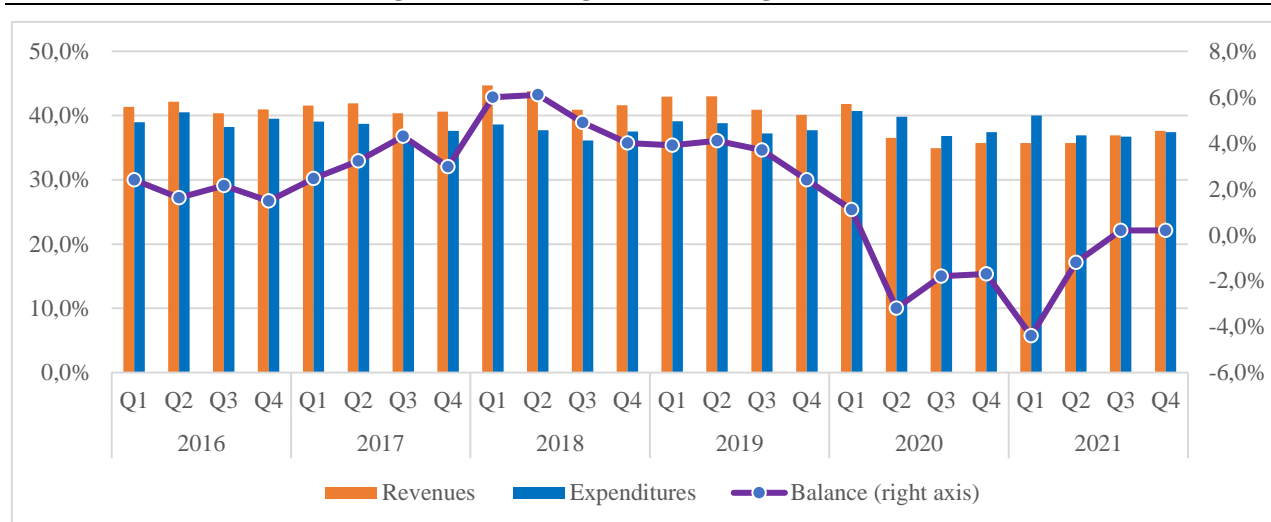
The Republican budget in 2021 was executed with a deficit of BYN 1.0 billion (0.6% of GDP) while the planned deficit (to the amended parameters) is BYN 2.3 billion.

The Republican budget revenue in 2021 amounted to BYN 27.9 billion or 101.5% of the adjusted annual plan. Budget revenues increased by 17.8% compared to 2020. The revenues from income tax, import and export customs duties, the fee for the export of crude oil originating from the Republic of Belarus and the tax for the extraction (removal) of potassium salt were higher than planned in 2021. Positive impact on budget revenues was caused by restoration of economic activity of economic entities and improvement in foreign economic conditions, in particular, favorable foreign trade dynamics, increase in prices for oil and potassium fertilizers, increase in the volume of oil and potassium fertilizers exports.

The Republican budget expenditures amounted to 28.9 billion rubles, or 97.0% of the adjusted annual plan. In the course of budget execution all social obligations of the government were financed, payments for servicing and repayment of the state debt were made in full and on time.

The Consolidated budget (the Republican and local budgets) was executed with a deficit of BYN 0.05 billion or 0.03% of GDP. The main share of Consolidated budget revenues (88.8%) was formed by tax revenues, most of which were provided by VAT revenues. The budget of the public administration sector (BYN 0.3 billion or 0.2% of GDP) was in surplus according to the results of the period under review.

Figure 20. General government budget, % of GDP



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

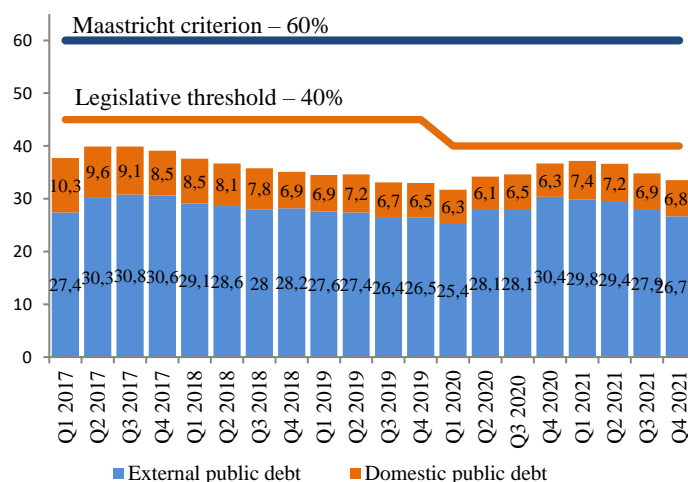


PUBLIC DEBT

As of January 1, 2022, the public debt of the Republic of Belarus amounted to 58.3 billion rubles or 33.5% of GDP, including external public debt - 26.7% of GDP and internal public debt - 6.8% of GDP.

In 2021 public debt increased by BYN 0.5 billion, the ratio of public debt to GDP decreased by 3.2 p.p. to 33.5%, with the threshold value of the economic security indicator not exceeding 40% of GDP (according to the State Program "Public Finance Management and Financial Market Regulation" for 2020 and up to 2025) (Figure 21).

Figure 21. Public debt, % of GDP



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

The external public debt decreased by USD 0.4 billion in 2021 (including exchange rate differences), or 1.9% and amounted to USD 18.2 billion as of January 1, 2022.

In 2021, the external public debt amounted to the equivalent of USD 1,273.1 million, including USD 991.7 million from the Government and banks of the Russian Federation, the International Bank for Reconstruction and Development (USD 186.7 million), Chinese banks (USD 49.1 million), European Bank for Reconstruction and Development (USD 24.2 million), OPEC (USD 20.0 million) and Nordic Investment Bank (USD 1.4 million). Repayment of external public debt in 2021 was USD 1,609.0 million in equivalent, including USD 730.7 million paid to the Government and banks of the Russian Federation; USD 431.4 million - to Chinese banks; USD 314.7 million - to the Eurasian Fund for Stabilization and Development; USD 122.2 million - to the International Bank for Reconstruction and Development; USD 5.0 million - to the European Bank for Reconstruction and Development; USD 3.6 million - to the USA Commodity Credit Corporation, USD 1.4 million - to the Nordic Investment Bank.

As of January 1, 2022, the domestic public debt amounted to BYN 11.8 billion, having increased by BYN 2.0 billion (with exchange rate differences) or 19.9% since the beginning of the year.

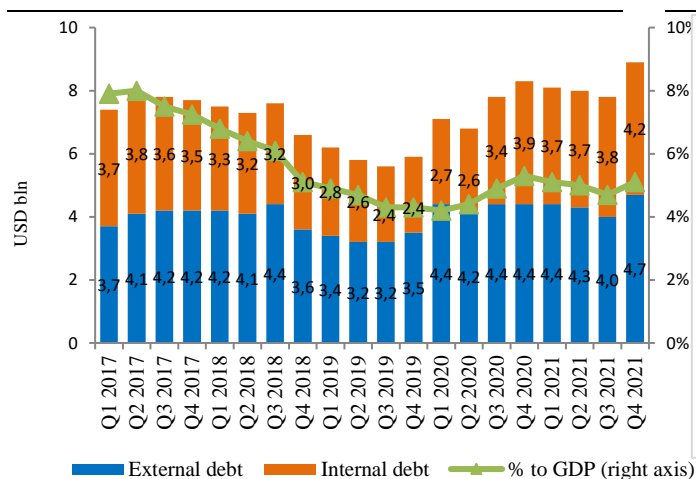
In 2021, domestic foreign currency and ruble-denominated Government bonds for legal entities and individuals were placed for a total equivalent of USD 1,237.7 million and BYN 191.0 million. The repayment of the government bonds made USD 333.1 million equivalent and BYN 145.0 million.

As of January 1, 2022, debt guaranteed by the Government of the Republic of Belarus amounted to BYN 8.9 billion or 5.1% of GDP, increasing by BYN 0.6 billion compared to the beginning of the year, including external debt guaranteed by the Republic of Belarus - 2.7% of GDP and domestic debt guaranteed by the Republic of Belarus - 2.4% of GDP (Figure 22).

In 2021, the public debt was kept at a safe level. Obligations to repay and service the state debt were executed timely and in full.

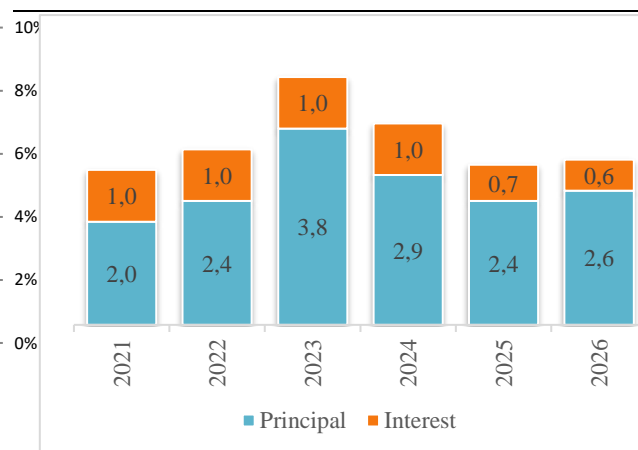


Figure 22. Public guaranteed debt



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Figure 23. Debt repayment schedule, USD billion



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

Source: calculations of the Ministry of Finance on the basis of the public debt portfolio as of 01.01.2022



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 economic entities, local state authorities, as well as bonds of the National Bank and the Ministry of Finance as an issuer of government securities.

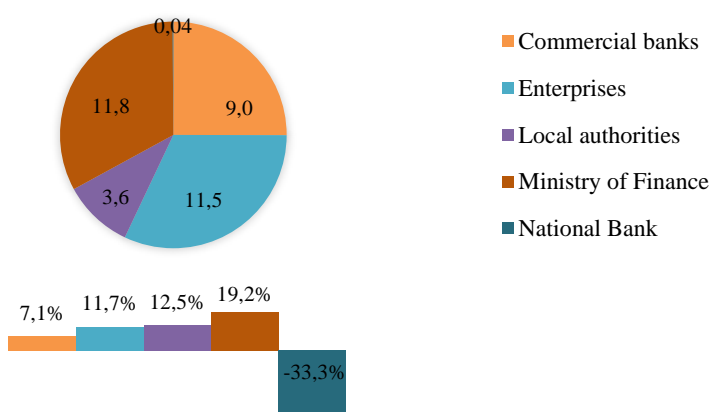
At the end of 2021, the total number of bond issuers amounted to 270 subjects (no change compared to 2020). At the same time, companies accounted for 74.0% of the total number of issuers. The growth in the number of issuers in this segment amounted to 1.0% at the end of 2021. The total number of bond issues of all categories of issuers as of 01.01.2022 amounted to 1 032 (+11.9%). The greatest growth in the number of bond issues was demonstrated by the local government bonds sector, which increased by 34.4 per cent (176 issues or 17.1% of the total number of issues).

As of 01.01.2022, the total amount of bonds issued by all categories of issuers was BYN 35.9 billion at face value (Figure 24). The bonds of banks, enterprises and local authorities are issued with tenors up to 5 years – BYN 7.9 billion (+3.9% compared to 2020), with tenors from 5 to 10 years – BYN 9.2 billion (+3.4%), with tenors longer than 10 years – BYN 7.0 billion (+27.3%).

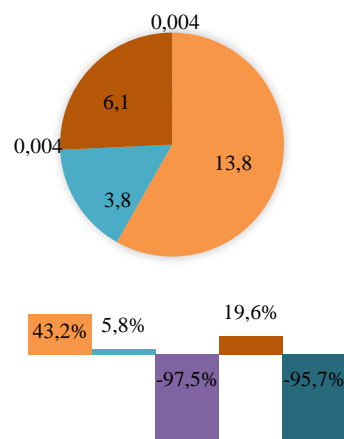
The bond segment of the securities market is dominant as compared to operations with other types of securities. The total amount of transactions with all types of bonds amounted in 2021 to BYN 28.7 billion or 98.1% of the total volume of such operations with securities. The bulk of them (82.6%) was the volume of purchase and sale transactions – BYN 23.7 billion.

Figure 24. Bond market

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



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



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

In the Republic of Belarus 4 012 joint-stock companies are registered as of January 1, 2022 of which 2134 are open joint-stock companies and 1 878 are closed joint-stock companies. The total issue of shares amounted to BYN 41.7 billion as of January 1, 2022 at par value (+8.3% compared to January 1, 2021). The volume of transactions with shares in 2021 amounted to BYN 0.55 billion.

The total issue of all types of securities in 2021 amounted to BYN 77.6 billion (+10.0%). The total volume of operations with all types of securities in all segments of the securities market in 2021 amounted to BYN 29.3 billion, the volume of transactions in the organized securities market amounted to BYN 7.6 billion, while the unorganized segment of the market reached the level of BYN 21.7 billion.

Prospective directions of securities market development, enshrined in government programs and implemented by the Ministry of Finance of the Republic of Belarus, including through the preparation of relevant regulatory legal acts, are as follows:

creation of a qualified investor institute, introduction of new types of bonds (strip, structured, depositary), simplification of foreign investors' admission;

increasing the level of investor protection by tightening requirements for bond issuance;

participation in the development of national Principles of corporate governance;



developing the institute of "green" financing in the Republic of Belarus, creating a national taxonomy of "green" projects and their verification system;

carrying out activities to join the IOSCO Multilateral Memorandum of Understanding in the field of consulting, cooperation and information exchange (MMoU IOSCO).

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