

A photograph of two men in dark suits and ties, identified as Vladimir Putin and Alexander Lukashenko, engaged in a conversation. Putin is on the left, gesturing with his right hand, while Lukashenko is on the right, looking towards him. The background is blurred, showing other people in formal attire.

Russia will provide  
Belarus with critical  
financial assistance in the  
amount of \$1,5 billion

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program



# WHAT IS THE REASON FOR THE NEWS?

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From Belarus's side:

- The rapid decline of the economy in Belarus (Republic's *balance* is MINUS \$2,728 billion ).
- The growth of the country's *gross domestic product (GDP)* for the first half of 2019 was only 0.9%
- Inflation in Belarus was 4% (2019).
- Planning the budget of the Republic of Belarus with a deficit of \$ 1.5 billion.
- Hope for a return to the annual subsidiary system.

# WHAT IS THE REASON FOR THE NEWS?

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From Russia's side:

- Ensuring timely Belarusian payments to Russian suppliers.
- Support for friendly modes.
- Belarus is a member of the Eurasian Union we cannot make this country turn away from us.
- By providing a loan to Minsk, Moscow hopes that it will go to the restructuring of the state debt of Belarus to Russia, which Lukashenka is currently unable to repay.



# HOW CAN THIS AFFECT THE GLOBAL ECONOMY?

- Strengthening a cooperation between Russia and Belarus.
- Reduction of the Belarusian debt to Russia.
- The postponement of Belarus' default.
- Strengthening Russia's position on the world stage (by keeping its own promises given).
- Some changes in Europe's attitude towards Russia due to lending to Belarus in the current political situation.
- Revision of gas prices (the loan, issued to Belarus, is a veiled gas discount).



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## GDP (Gross Domestic Product)

## Default – failure to meet the legal

pay a bond which has