



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

**Made by:** Alymova Svetlana, 1 course of «International business»  
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).



# TERMS DICTIONARY

**Balance** – an amount that represents the monetary difference between exports and imports

**GDP (Gross Domestic Product)** – is a monetary measure of the market value of all the final goods and services produced in a specific time period.

**Default** – failure to meet the legal obligations (or conditions) of a loan (for example when a corporation or government fails to pay a bond which has

