

DE-DOLLARIZATION OF BELARUS ECONOMY

The government and the National Bank of the Republic of Belarus declared a new trend in the monetary policy - de-dollarization - and are steadily and persistently taking a number of measures to implement it. In economic literature the term «de-dollarization» means the elimination of hard currency use (dollar) in payments and other settlements on the territory of the country, as well as price, duties setting, and other payments [1]. Belarus has made some achievements in this field (look at the table [2]):

De-dollarization of economy				
Fraction of foreign currency component, %	01.01. 2015	01.01. 2016	01.01. 2017	01.01. 2017
Broad money supply	72,3	68,2		64,7
In deposits	74,5	70,2		67,1
In banks' requirement to economy	57,8	57,7		52,3

The goal of this work is to analyze both positive and negative features of this phenomenon and its impact on the national economy of the republic.

The National Bank considers that the deep-rooted practice to use hard currency as a unit of account and as the most convenient means of payments exerts additional pressure on domestic currency market making it vulnerable to external negative influences and sparks off devaluation expectations both of legal entities and the public. Among other negative consequences of dollarization it is necessary to point out the following ones: the reduction of the demand for the national currency, the decrease of the monetary policy efficiency, the limitation of the government's capability to manage macroeconomic processes, and the situation when interest rates almost had no impact on the rates of loans and deposits nominated in foreign currencies.

Belarus has still to do a lot to achieve sustainably high economic growth, and high dollarization creates a number of systemic risks that may complicate these efforts significantly. The main objective of de-dollarization is to encourage the attractiveness of the national currency and to decrease the level of inflation.

In Belarus de-dollarization includes next measures:

- increased usability of the national currency;
- changes in legislation of the country with the aim of exclusion foreign currency from using for payments;
- peg of the tariffs to the national currency;

- the development of hedging devices which are oriented on minimization of currency risks;
- stimulation of banks to build their own policies, contributing to the de-dollarization of their assets and liabilities by changing the approaches to the formation of reserve requirements;
- prohibition to express financial liabilities in foreign currency;
- fiscal consolidation;
- financial liberalization [3].

However, there are some fears that de-dollarization of authorized funds may result in the outflow of foreign direct investments. At present, economic agents, business partners, investors, lenders and other market players express their concern pertaining to the future of the Belarusian economy and Belarusian rouble overate.

To sum up, de-dollarization is a long process, during which it is necessary to ensure the monetary stability and flexibility of the exchange rate and not allow a reverse tendency. As a result, this process will lead to macroeconomic growth, effective monetary policy, will reduce the quantity of foreign currency in the financial circulation of the country and our currency will become more stable and valuable in comparison with other currencies. But on the other hand, the number of joint ventures and foreign enterprises may reduce as well as the volume of foreign direct investment, because of the hesitation of foreign entrepreneurs in the risk-taking process.

References:

1. NBRB [Electronic resource]: National Bank of the Republic of Belarus. – Mode of access: <http://www.nbrb.by/bv/articles/10469.pdf> – Date of access: 09.03.2018.
2. NBRB [Electronic resource]: National Bank of the Republic of Belarus. – Mode of access: <http://www.nbrb.by//bv/arch/654.pdf> – Date of access: 09.03.2018.
3. IMF [Electronic resource]: International Monetary Fund. – Mode of access: <http://www.imf.org/external/pubs/ft/wp/2010/wp10188.pdf> – Date of access: 09.03.2018.

<http://edoc.bseu.by:8080>

Viktoriya Hilko
Science tutor O. Dmitrieva
PAC (Minsk)

CAN A BELARUSIAN HARDWARE COMPANY BECOME A GLOBAL LEADER IN THE INTERNATIONAL MARKET: THE "RERULA" CASE.

In the era of globalization every developed country is striving to be involved in the processes all around the world. First of all, it concerns international commodity-money