

FREE Network Project
April 2020

COVID-19 in the Region of FREE Network

The Case of Belarus



COVID-19
PAPER SERIES

Introduction

The Covid-19 pandemic is affecting all the inhabited continents of this planet and leaves none of us untouched. It has already killed thousands of people across the globe, closed down cities, borders and businesses and most countries are still just in the initial phase of this crisis. Although there is 24/7 reporting on the pandemic, much of the focus in international media has been on the most affected countries and richer countries in Eastern Asia, the EU and the US. Much less attention has been given to countries around the Baltics, in Eastern Europe and the Caucasus. However, these countries are home to more than 200 million people and to the institutes that form the Forum for Research on Eastern Europe and Emerging Economies, i.e. the FREE network. We have therefore started to collect data on this region from official sources with the ambition to offer a regularly updated, comprehensive and easily comparable overview of the health impact of the Covid-19 pandemics, as well as the policies and practices countries in the region adopt to deal with it. The countries in the network and the region we include are Belarus, Georgia, Latvia, Poland, Russia, Sweden, and Ukraine. For comparison we also include Italy as a point of comparison since it is a country that has been particularly badly affected and we have several people in our faculties that know Italian and follow these developments closely.

The quality of the health data will by necessity vary between countries and this also affects the comparability of numbers. For example, the ability and willingness to test the population for the virus differs significantly between countries and will obviously affect the number of infections that is reported to the European Centre for Disease Prevention and Control (ECDC), the main source of data on health outcomes in our tables and graphs. Other data that we report, such as border or school closures, are easier to compare, but there may still be differences in how these policies are implemented on the national level. However, we still believe that it is useful to compile this data for our region in one place as a starting point for discussions on how the virus is spreading and governments respond to the crisis.

Since the FREE network focuses on economic issues, we put particular emphasis on high-frequency indicators in this area and on measures governments have taken to deal with the economic consequences of the pandemic. In the initial phase of this collaborative project, the focus will be on providing a descriptive picture of the state of the situation using the best data we can find, but over time, this will be complemented by more in-depth policy analysis of the measures and implications for the economies in the region.

The main data is presented in a summary page that facilitates comparisons between countries, and this is complemented with more detailed country pages.

Basic Facts

Belarus is a country with about 9.5 million citizens. The area is 207 thousand sqkm which gives a population density of 45.9 persons/sqkm. The capital is Minsk with around 2 million inhabitants, other major cities are Gomel (0.53mn), Mogilev (0.38mn), Vitebsk (0.38mn), Grodno (0.37mn), Brest (0.35mn). Belarus is a member of the Eurasian Economic Union and is part of the Union State of Russia and Belarus. The national currency is the Belarusian Ruble (BYN).

Different responses to the crisis across countries depend partly on the organization of political authority, as reflected in the level of regional decentralization of decision making in key areas of authority, and the strength and independence of public agencies. In the case of Belarus, the power is highly centralized and most decisions are made either by central government or personally by the president.

It is widely considered that the government in Belarus has a small degree of independence from the president. The authority in charge of dealing with pandemics is the Ministry of Health.

Health Indicators

Belarus had its first officially registered case of Covid-19 on February 27 and the first death on March 31. At first, the increase of the newly registered cases was slower than in most other countries, but in the beginning of April, Belarus started to catch up, reaching 351 officially registered total cases by April 3. As of April 3,

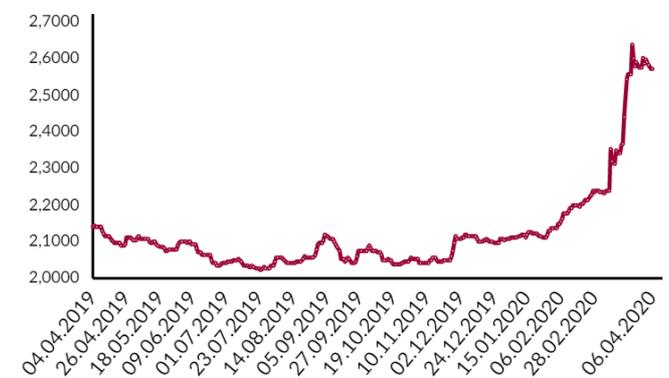
officials in Belarus have performed 32,000 tests and tried to trace and isolate all the close contacts in the early phase of Covid-19 spread.

Belarus has a relatively high number of doctors and hospital beds per capita. There are 4 doctors, 12 nurses and 8 hospital beds per 1000 citizens and 2.3 intensive care units per 10,000 citizens. Government officials claim that there are 22 lung ventilators per 100 thousand persons and that this number can be increased to 38 if necessary.

Financial Indicators

Belarus currently does not have a properly functioning stock exchange, so it is hard to provide any strong evidence on the changes in corporate valuations. The Belarusian ruble started to depreciate in late February of 2020. Figure 1 depicts the recent developments in the exchange rate with respect to US dollar. Since the beginning of 2020, the US dollar went from 2.1 BYN to 2.57 BYN.

Figure 1. USD to BYN exchange rate



Source: National Bank of Belarus.

The developments that can be seen on Figure 1 are largely due to the depreciation of the Russian



Ruble which in turn was caused by decrease in oil prices as the OPEC+ agreement have failed in early March of 2020.

Government Health Policies

The government's strategy so far was to identify and trace all the Covid-19 cases by performing a large number of tests (32,000 as of April 3) and isolating the first-degree contacts of infected persons. Public events with international participation were forbidden, however this does not apply to other public events and gatherings including football games and music concerts. As of April 4, government officials are still planning to hold the WW2 victory parade on May 9. Borders and airports are not closed, but persons arriving from abroad are advised to self-isolate for 14 days.

There is no state-wide closure of schools and universities. The only closed teaching institutions are those which had students with officially confirmed Covid-19.

There is no state-wide quarantine as government officials deem it unnecessary and President Lukashenka calls the situation "Covid hysteria". Among the measures taken up to date is financial regulatory easing ordered by the National Bank of Belarus. The government also issued a decree that consumer prices should not increase by more than 0.5% per month. In addition to that, the government plans to spend 110 million BYN (42.5 million USD) on economic support measures.





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The Forum for Research on Eastern Europe and Emerging Economies is a network of academic experts on economic issues in Eastern Europe and the former Soviet Union at BEROC (Minsk), BICEPS (Riga), CEFIR (Moscow), CenEA (Szczecin), KEI (Kiev) and SITE (Stockholm). The weekly FREE Network Policy Brief Series provides research-based analyses of economic policy issues relevant to Eastern Europe and emerging markets. Opinions expressed in policy briefs and other publications are those of the authors; they do not necessarily reflect those of the FREE Network and its research institutes.

