

RAEX-Europe confirmed the credit rating of Belarus in national currency at 'B' and downgraded to 'B-' the credit rating in foreign currency. The outlook on both ratings is stable.

RAEX-Europe maintained the sovereign government credit rating (SGC) of Belarus at 'B' (Moderately low level of creditworthiness of the government) in national currency and downgraded from 'B' to 'B-' (Moderately low level of creditworthiness of the government) in foreign currency. The rating outlook changed from negative to stable, which means that in the mid-term perspective there is a high probability of maintaining the rating score.

Our decision to downgrade the rating in foreign currency reflects the increased foreign currency risks for the government and banking sector, weakening of external position. Moreover, the rating is restrained by the high financial and trade dependence on Russia, and increased risks of contingent liabilities materialization for the government. Meanwhile, the current rating in local currency is supported by a rapid ongoing economic recovery, a favorable public debt structure in terms of maturity and payment terms, manageable public debt and an adequate budget, and a relatively high level of welfare of the country's population.

Research report on Belarus is available at:

https://raexpert.eu/reports/Research_report_Belarus_09.07.2021.pdf

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