

Belarus Says Iran Ready to Lend \$400M

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A father preparing to photograph his son atop a harvest-celebration straw figure by a roadside north of Minsk. **Sergei Grits**

MINSK — Belarus, which is tapping credit sources abroad to help it repay accumulated foreign debt, said Monday that Iran had agreed in principle to give it a \$400 million loan as it heads into talks with the IMF on aid.

Minsk is struggling with a financial crisis that has led to a 60 percent devaluation in its ruble currency this year, driving huge rises in prices for staple goods, including food.

The Belarussian central bank may conduct currency interventions at an additional trading session this month to prevent a "sharp" jump by the dollar, the Belarussian state news agency BelTA reported, citing chairman Nadezhda Yermakova.

In efforts to plug holes in its balance of payments, Belarus has already raised \$800 million in credit from a Russia-led anti-crisis fund and has turned to the International Monetary Fund and Russia's Sberbank for further help.

Belarus is seeking a \$1 billion loan from Sberbank secured with shares in refiner Naftan,

Interfax said.

The country may get the second \$440 million tranche of its Russia-led bailout loan by the end of October, BelTA said, citing First Deputy Finance Minister Vladimir Amarin.

Yermakova said agreement in principle had now been reached with Iran for a credit line.

"The issue of about \$400 million credit from Iran is being considered. A decision in principle has already been made by the Iranian side," Yermakova was quoted as saying by BelTA.

She gave no details on the terms of the loan or the level of interest payments.

Belarus, which faces a high repayment schedule in 2012 and 2013 on old foreign debt, is hoping for up to \$7 billion from the IMF under a new arrangement.

An IMF mission is due to arrive in Minsk on Tuesday for a review of economic and structural reforms that it has urged the country to take.

"The mission will begin its work tomorrow. This work might lead to a discussion of a new program. ... Its volume may amount to up to \$7 billion," Amarin told journalists Monday.

Officials had previously put the amount they could seek from the fund at up to \$8 billion.

The human rights record of Belarussian President Alexander Lukashenko has been a deal-breaker for many Western institutions on crediting Belarus in the past.

National dollar reserves have fallen, and economists say Lukashenko has to find \$3 billion by the end of the year to prop up the heavily indebted economy.

(Reuters, Bloomberg)

The International Monetary Fund will not negotiate a new financial aid package to Belarus during a visit on Oct. 5 to 17 by the lender's mission to Minsk.

"At the moment, it would be premature to speak about the possible volume of hypothetical IMF assistance for Belarus," Natalya Kolyadina, the lender's resident representative in the country, said Monday from Minsk.

Belarus, which received \$3.5 billion from the fund in 2009, requested a new stabilization loan in June. Reaching an understanding on the country's macroeconomic framework with the fund would facilitate a new program of assistance, Kolyadina said.

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