Belarus Economy Monitor:
trends, attitudes, and expectations

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Express Analysis

Economic Activity and Inflation

November 2025

Belarus's economy continued to slow down in October 2025

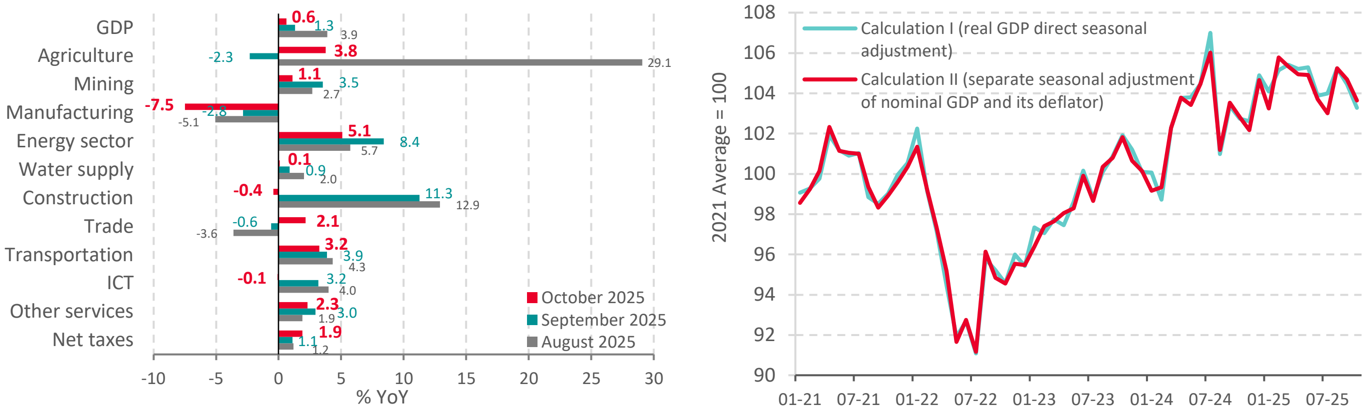
For the ten months of 2025, GDP grew by 1.5% YoY, and in October alone – by ≈0.6% YoY (Fig. 1.a). The volume of GDP (seasonally adjusted) in October decreased by ≈1% compared to the September level and returned to the values of spring 2024 (Fig. 1.b). The key factor in the reduction of output was the decline in industrial production, the volume of which fell slightly below the levels of the second half of 2023. Weakening demand in Russia, combined with increased competition in the Russian market and the reached limit of involving free labor and capital in production, is hindering export-oriented sectors of the economy. Domestic demand in October increased due to the growth of investments in construction, while consumer activity stagnated amidst slowed lending and reduced consumer confidence.

If the output volume remains at the October level in November-December, GDP will grow by 1.1–1.2% YoY for 2025 as a whole. This dynamic will correspond to a significant reduction in the economy's overheating, a decrease in price pressure, and the preservation of inflation near 7% YoY or even slightly lower. To ensure GDP growth at the level of 1.5% YoY for the year, its volume in November-December must grow by a little more than 1% monthly. In the current conditions of subdued demand in Russia, such a dynamic is possible in the event of a temporary significant strengthening of domestic stimuli through the easing of lending conditions and an increase in budget expenditures.

Figure 1. Dynamics of GDP and value added in Belarusian sectors

a) GDP growth, month versus the corresponding month of the previous year (%, YoY)

b) GDP volume at constant prices (seasonally adjusted)



Note: The estimates update once the data are verified. Monthly GDP data are estimates.

This Express Analysis is an operational analysis of the status of the key macroeconomic indicators of Belarus.

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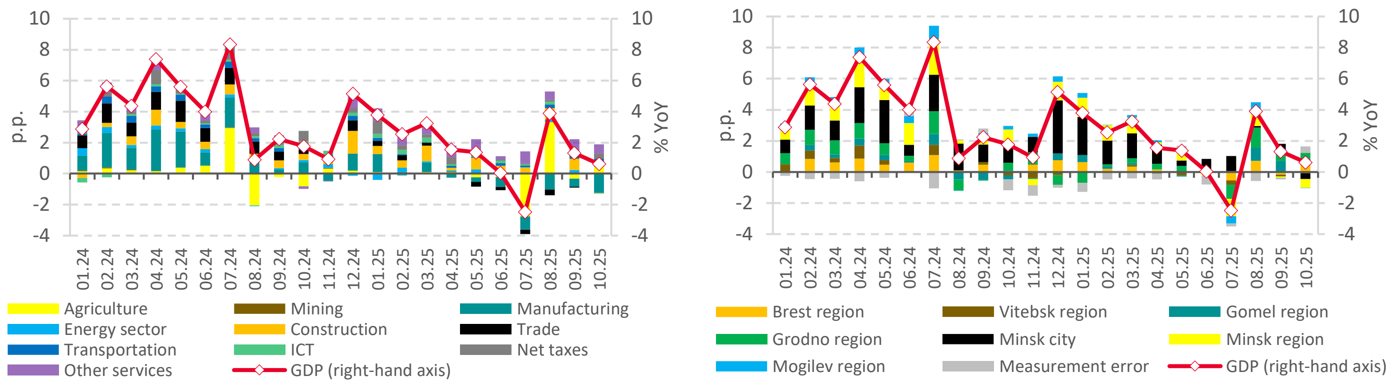
Figure 2. Structure of YoY GDP growth in Belarus

a) sectoral b) regional



Note: The estimates update once the data are verified. The energy sector includes the water supply subsector.

Agricultural production increased in October 2025 thanks to the high yield of main crops in agricultural organizations

The value added of agriculture increased by ≈3.8% YoY in October (Fig. 1.a), contributing slightly more than 0.4 p. p. to the annual GDP growth (Fig. 2.a). This was facilitated by a significant increase in the gross harvest of key crops in agricultural organizations. Milk production also remained on an upward trend, while cattle farming stayed within a sideways trajectory, and egg output continued to decline (seasonally adjusted), correcting to natural levels after a powerful surge at the beginning of the current year.

The value added of industry decreased by ≈5.5% YoY in October 2025 (Fig. 1.a), which subtracted ≈1.1 p. p. from the annual GDP growth (Fig. 2.a)

Industrial output (seasonally adjusted) fell by ≈2% in October compared to the September 2025 level (Fig. 3.a). A reduction in manufacturing compared to the previous month was noted in all regions and Minsk. Judging by the regional dynamics, most industries continued to experience difficulties with product sales due to weakened demand in Russia and the slowdown in the growth of domestic demand in Belarus. At the same time, the combined reduction in output of manufacturing industries in the Vitebsk and Gomel regions indicates the probable absence of significant growth in petroleum product output. It cannot be ruled out that, against the backdrop of the widening discount of Russian Urals oil to the European benchmark Brent in November, Belarusian oil refineries will gain additional competitive advantages due to a reduction in the price of oil imports.

Industrial output in October 2025 fell slightly below the average level of the second half of 2023 (Fig. 3.a)

At the same time, inventories of finished products continued to grow and once again rewrote multi-year highs (Fig. 3.b). Given the contraction of industry and the growth of inventories, the noticeable increase in wholesale trade turnover in September-October appears somewhat counterintuitive (Fig. 3.a). Perhaps the dynamics of wholesale trade reflect a temporary surge in goods imports noted in September (Fig. 5.b). If restrained demand in Russia and internal resource constraints persist, industrial output will decrease by 1.2–1.8% for 2025 as a whole.

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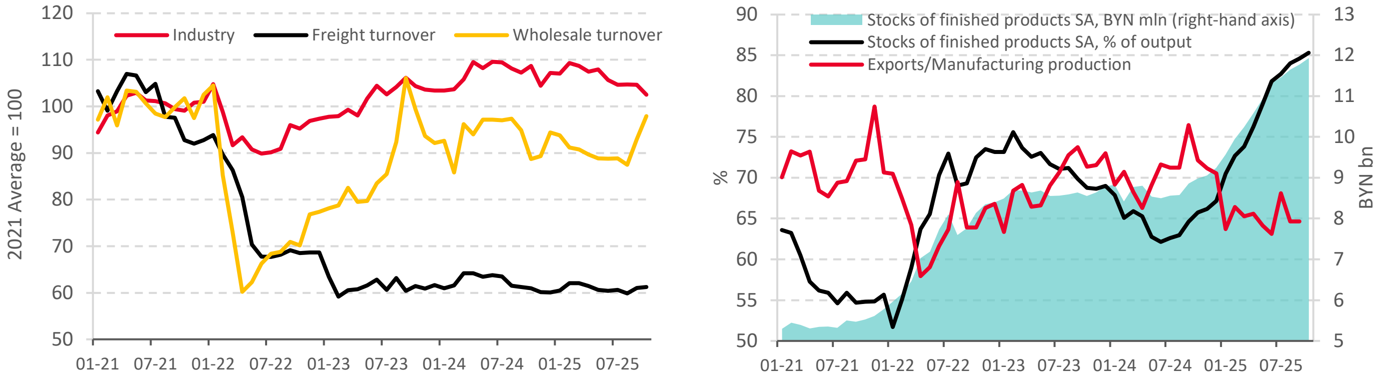
Figure 3. Dynamics of industrial output, wholesale trade and transport freight turnover

a) real output in industry (SA), real wholesale trade (SA) and freight turnover (SA)

b) industrial stockpiles, and the ratio of goods exports to output



Note: SA is a seasonally adjusted indicator. The real volume of wholesale trade has been calculated by deflating the nominal volume by the wholesale trade price index. The real industrial output volume has been calculated based on the Belstat's Industrial Output Index in 2015 prices. The dynamics updates once new data are published.

The value added of the transport sector increased by ≈3.2% in October 2025, contributing ≈0.2 p. p. to the annual GDP growth (Fig. 2.a)

Growth in passenger turnover, the volume of which exceeded the average 2021 level by almost 37%, continued to support the transport sector. Freight transport stagnated near minimal values: freight turnover was ≈39% short of the average 2021 level (Fig. 3.a). A significant increase in freight turnover can be expected if sanctions restrictions by EU countries are eased.

The value added of information and communication decreased by ≈0.1% YoY in October 2025

Seasonally adjusted nominal value added in the sector also decreased in October compared to September 2025. Without a significant easing of external restrictions, the recovery rate of the ICT sphere will remain subdued: the value added in October was ≈17% below the October 2021 level.

Consumer demand remained high in October despite the absence of growth

Retail trade turnover remained at the September level (in real terms). The lending dynamics, which were restrained compared to previous years, and the decline in consumer confidence limited consumer activity. However, the level of demand did not decrease and remained high thanks to support from increased household incomes (Fig. 4.a). The overheating of consumer demand will decrease if the National Bank's directive limits on the growth of banks' retail loan portfolio are maintained and if labor market tension gradually eases amid slowing economic growth.

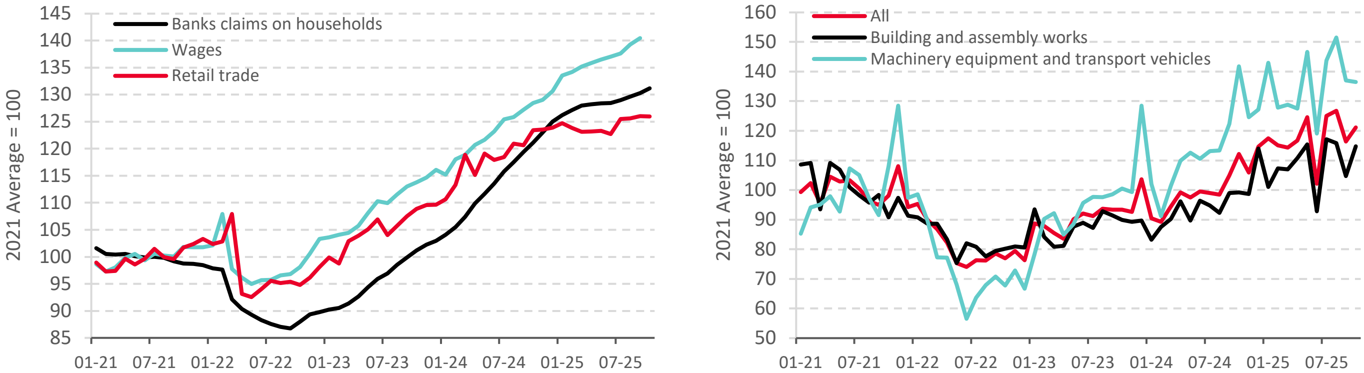
Investments increased in October due to the growth of construction works

The monthly dynamics of investments remained highly volatile, but generally maintained a moderate upward trend (Fig. 4.b). The expansion of budget expenditures and the National Bank's efforts to stimulate investment lending supported the growth of capital investments. At the same time, despite the increase in construction works in October, the value added of construction decreased both relative to October 2024 (Fig. 1.a) and compared to September 2025 when seasonally adjusted. This may indicate an increase in imports. If subdued demand persists in the Russian market, a gradual slowdown in investment activity can be expected, as its high growth in recent years may have been linked not so much to technological innovations as to the replacement of Western equipment and technologies.

Figure 4. Retail trade and investment dynamics

a) retail trade, wages and lending (seasonally adjusted, in real terms)

b) investment (seasonally adjusted, in real terms)



Note: Real retail trade volume is calculated by deflating nominal volume by the Consumer Price Index for goods. Real wage has been calculated by deflating the nominal wage by the Composite Consumer Price Index. Real investment indicators have been calculated by deflating nominal investment by construction price indices. The indicator dynamics updates once new data are published.

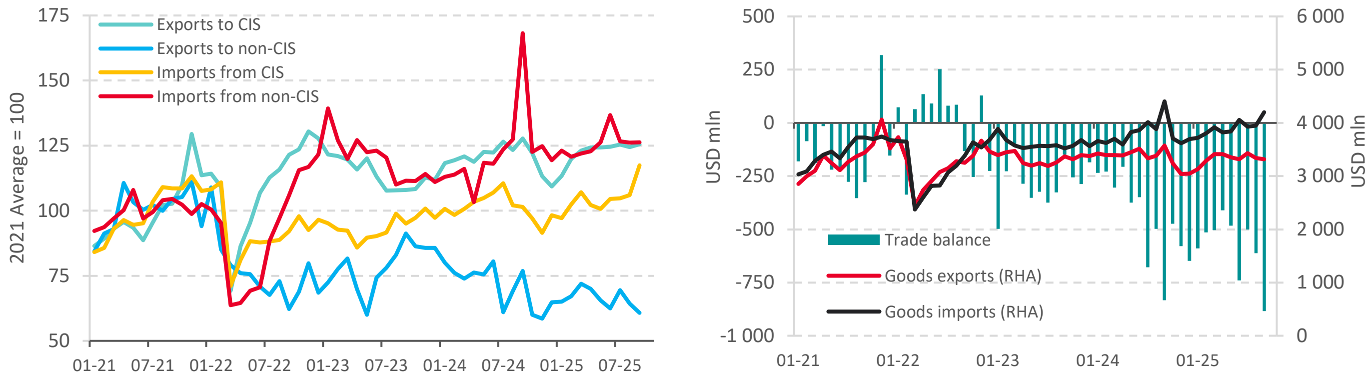
The foreign trade deficit in goods amounted to ≈$880 million (≈11.3% of GDP) in September 2025 (seasonally adjusted; based on Belstat data)

The negative balance widened by ≈$270 million (by ≈3.8 p.p. of GDP) compared to August 2025 (Fig. 5.b). Imports of goods to Belarus grew substantially in September, mainly from CIS countries (Fig. 5.a). Such a jump in imports is not caused by the prevailing macroeconomic conditions and is likely associated with temporary factors. An increase in car imports can be assumed amid expectations of a higher recycling fee in Russia and the exhaustion of the duty-free import quota for electric vehicles in Belarus. Imports of equipment or materials for the Belarusian NPP also cannot be ruled out. Exports of goods changed insignificantly in September. The volume of supplies to non-CIS countries remained near multi-year lows against the backdrop of subdued oil refining dynamics (Fig. 5.a). Sales of goods to the CIS moved along a sideways trajectory due to weakened demand and high competition in the Russian market (Fig. 5.a).

Figure 5. Dynamics of foreign trade indicators

a) value volumes of goods exports and imports (seasonally adjusted)

b) value volumes of foreign trade (seasonally adjusted)



Note: The indicator dynamics updates once new data are published.

A reduction in the trade deficit can be expected in the coming months as imports "normalize"

Taking into account the noticeably increased surplus in the trade of services, the combined balance of foreign trade in goods and services is projected to be negative, near 2% of GDP, by the end of the current year.

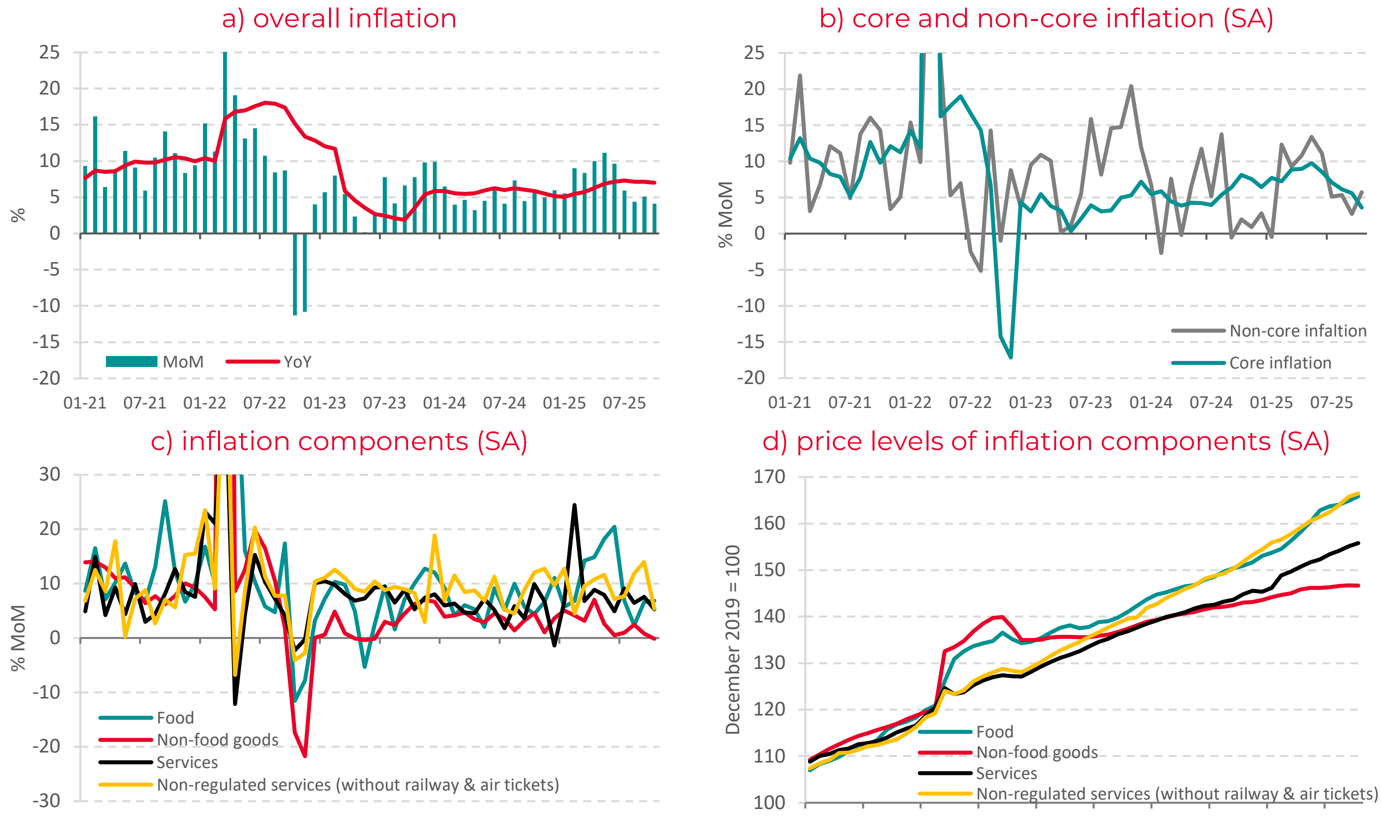
Assuming the trend of net currency sales by the population continues, such a size of the foreign trade deficit does not pose significant risks to the currency market: the exchange rate of the Belarusian ruble relative to the currency basket will remain near current levels until the end of the year, provided there are no strong external shocks.

Inflation declined in October: the annual indicator fell to 6.9% YoY, while the annualized monthly price growth was ≈4.1% MoM (seasonally adjusted; hereinafter – MoM; Fig. 6.a)

The slowdown in the monthly growth of consumer prices is associated with a decrease in core inflation from ≈5.6% MoM in September to ≈3.6% MoM in October (Fig. 6.b). Prices for non-food goods slightly decreased by ≈0.2% MoM in October (Fig. 6.c). Strict price control and a strong ruble had disinflationary effects. The growth in food prices (excluding fruits and vegetables, alcohol, and tobacco products, which are included in the non-core index) slowed from ≈6.8% MoM in September to ≈5.6% MoM in October. The downward impact on food inflation persisted from dairy products, which showed extremely weak price dynamics after returning to strict price regulation since the end of June 2025.

Inflation in non-regulated services slowed more than twofold – to ≈5.3% MoM in October, including without highly volatile prices for international air and rail transport – to ≈5.4% MoM (Fig. 6.c). The decrease in inflation in the market service segment is due to the cheapening of tourism by more than 20% MoM. Price volatility is characteristic of this category, which is why its cheapening in a single period is not a sign of a significant easing of inflationary pressure. The most "heavy" and persistent item in non-regulated services – market household services – continued to rise at an elevated pace – about 12% MoM in October. This indicates the persistence of price pressure from high demand and labor costs.

Figure 6. Inflation dynamics in Belarus



Note: YoY (year-on-year) is a monthly growth rate versus the corresponding month of the previous year; MoM (month-on-month) is an annualized monthly growth rate (seasonally adjusted) versus the previous month. SA is a seasonally adjusted indicator. The dynamics updates once new data are published.

Non-core inflation grew from ≈2.7% MoM in September to ≈5.7% MoM in October (Fig. 6.b)

The increase in non-core inflation in October is associated with a noticeable rise of ≈23% MoM in prices for fruits and vegetables. Administratively regulated prices grew at extremely restrained rates – around 3.5% MoM in October 2025.

In November, annual inflation is expected to be near 7% YoY, and by the end of the year, it will be in the range of 7–8% – most likely closer to its lower boundary

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