

Belarus Economy Monitor: trends, attitudes and expectations

Households

November 2024

Summary

- The Consumer Confidence Index in Q4 2024 increased by 1.4 percentage points (according to Rosstat methodology) and reached 0%.
- The Consumer Confidence Index excluding the current economic situation component (Eurostat methodology) stood at 0.4%, while the average value for EU countries in October 2024 was significantly lower: -12.6%.
- There is a positive dynamic in the assessment of the country's economic situation.
- The proportion of respondents reporting income reductions remained at 26% – the same level as the previous wave.
- Saving on food has once again become a popular strategy for respondents with declining incomes.
- The share of those who lost their jobs in the past two weeks decreased to 1.4%.
- The proportion of respondents reporting job losses among acquaintances reached a new low of 10%.

Methodology

The bulletin is based on data from 11 online surveys of urban residents aged 18–64. The sample corresponds to the structure of the urban population of Belarus and has been adjusted for gender, region, and age.

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| 1) December 2–8, 2021 (1004 respondents); | 7) October 9–11, 2023 (1003 respondents); |
| 2) April 19–25, 2022 (1007 respondents); | 8) February 6–12, 2024 (998 respondents); |
| 3) August 26–31, 2022 (1001 respondents); | 9) May 15–22, 2024 (1002 respondents); |
| 4) November 21–25, 2022 (992 respondents); | 10) July 24–25, 2024 (1001 respondents); |
| 5) March 2–4, 2023 (1014 respondents); | 11) November 8–10, 2024 (991 respondents). |
| 6) June 28–30, 2023 (1009 respondents); | |

The Consumer Confidence Index (CCI) reflects the general perception and expectations of the population regarding the country's economy and their financial situation. In our research, it is calculated using methodologies employed by Rosstat and Eurostat. The Eurostat index includes questions about the current and projected financial situation of households, willingness to make major purchases, and the expected economic development of the country over the next year. The Rosstat methodology incorporates these questions along with an assessment of the country's economic situation compared to a year ago.

Evaluation of Consumer Confidence Index Results

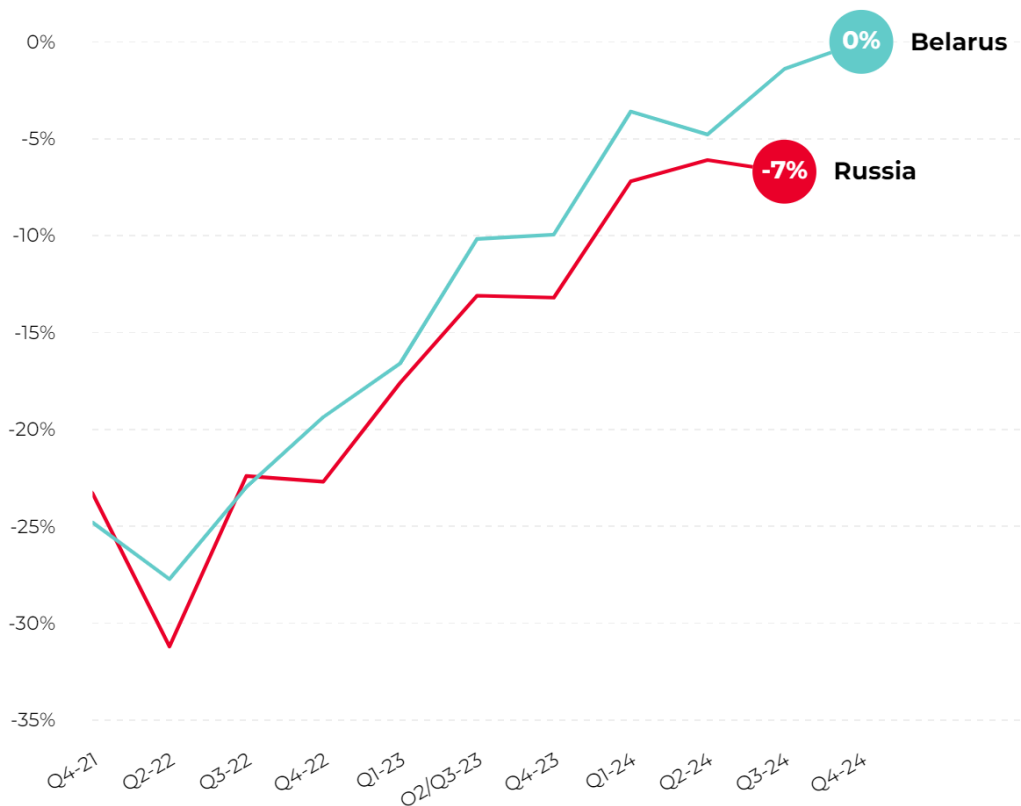
The **Consumer Confidence Index (CCI)** is a composite indicator that reflects the population's assessment of the country's overall economic situation and their personal financial situation. In addition to actual assessments, the index includes questions related to future perceptions: how the economic situation and the financial condition of households are expected to change over the next year. As a result, the index illustrates household **attitudes** and **expectations**, providing insight into their consumer behavior strategies.

Belarus and Russia

The Belarusian Consumer Confidence Index, which includes 5 components (Rosstat methodology), reached a neutral level for the first time in all survey waves, standing at 0%. The index in Russia remained in the negative zone at -7%, though the data is based on the third quarter of 2024. The recovery and subsequent growth of the index in both countries are occurring at similar rates, with Belarus showing higher values.

Figure 1. The Consumer Confidence Index in Belarus and Russia in 2021–2024

(The index for Belarus starts from Q4-2021; there were no Q1-2022 data on Belarus)



Note. Why is it relevant to compare Belarus with Russia?

- a) Russian economy — just like Belarusian economy — has been experiencing challenges with the long-term economic growth potential, and it has been overheating.
- b) Economic sanctions influence both countries.
- c) Russia is the key trading partner of Belarus.
- d) Both countries face labor market shortages.

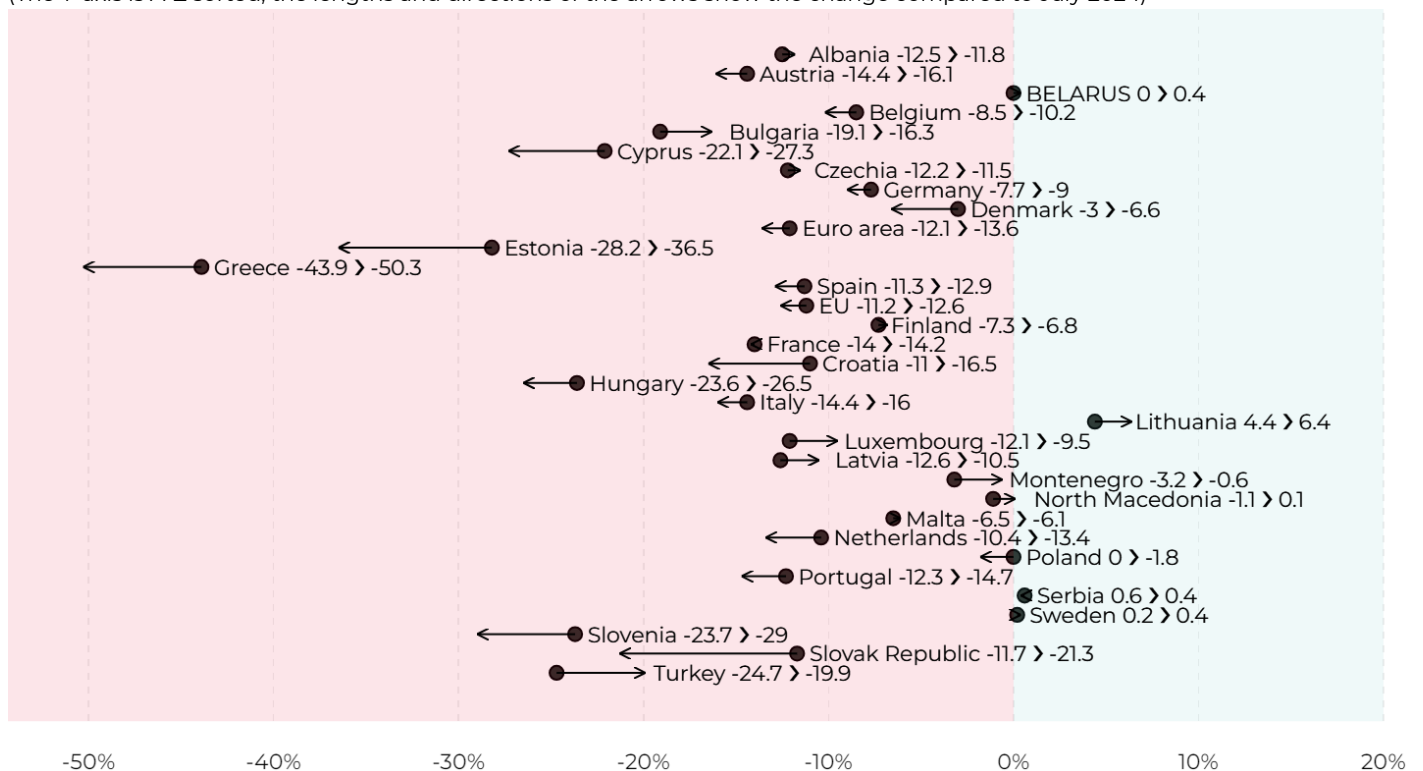
Belarus and EU

The Consumer Confidence Index in Belarus, according to the Eurostat methodology, remained at a neutral level in November, standing at 0.4% (an increase of 0.4 p.p.). In the first half of 2024, Belarus ranked 5th among European countries in terms of the Consumer Confidence Index (gradually improving its position from 6th-7th place). In the 4th quarter, the Belarusian index was on par with Sweden and Serbia, while the highest index value was recorded in Lithuania (6.4%). The CCI entering the positive zone is relatively rare, though this index is presented without seasonal adjustment, which makes it more volatile.

In the 4th quarter of 2024, the indices of most of the reviewed European countries slightly worsened on average (-1.4 p.p.), with the index in EU countries standing at 12.6%. The largest increase in the index was observed in Turkey (+4.8 p.p.), while the largest declines were recorded in Slovakia (-9.6 p.p.) and Estonia (-8.3 p.p.). The lowest Consumer Confidence Index value was traditionally observed in Greece (-50.3%).

Figure 2. Consumer Confidence Index in Europe in October and July 2024

(The Y-axis is A-Z sorted, the lengths and directions of the arrows show the change compared to July 2024)



Note. Why is it relevant to compare Belarus with the EU countries?

The predictive power of the index for the EU countries based on the Eurostat methodology (excluding the component on the current state of the economy) is higher than the index that includes all 5 components.¹

¹ [A Revised Consumer Confidence Indicator. European Commission, official website, 2018.](#)

Components of the Consumer Confidence Index

Note. Component calculation formula

$$Component = (PR + P \div 2) - (MN + N \div 2)$$

where PR is the most positive responses,
P is positive responses,
MN is the most negative responses,
N is negative responses.

In the survey waves of 2021–2023, the population of Belarus assessed the country's economic situation more negatively than the financial condition of their families (Figure 3 – Q1 and Q3). By the end of 2024, the gap in negative assessments disappeared: in the 4th quarter, 29% and 30% of respondents, respectively, noted that the economic situation in the country and their household financial situation had worsened over the past year. Compared to a year ago, there is a positive trend in the assessment of the country's economic situation: 26% believe the situation has improved (+9 p.p. y-o-y), 30% think the situation has not changed, and 29% think the situation has worsened (-10 p.p. y-o-y). Overall, the assessments of the country's economy stabilized in 2024.

Assessments of household financial conditions in November 2024 did not undergo significant changes: 23% of respondents reported an improvement in their household financial situation, 44% noticed no changes (-3 p.p. compared to the previous quarter), and 30% reported a deterioration (+3 p.p. Q4/Q3).

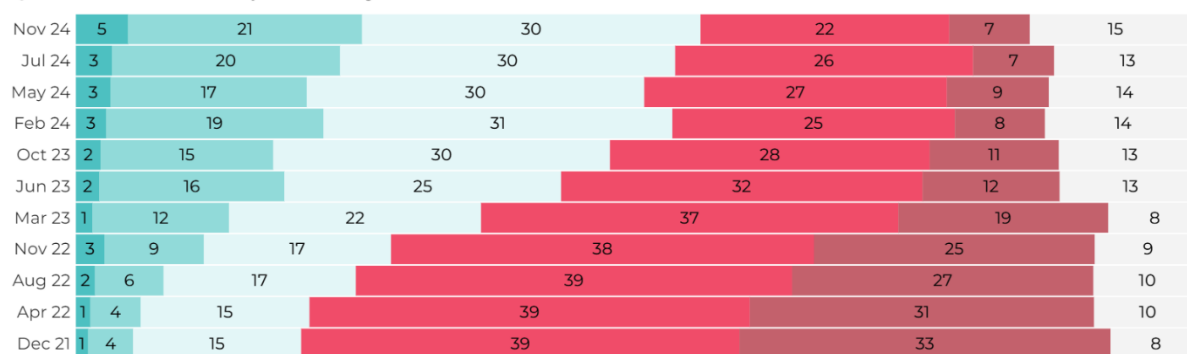
When it comes to future assessments, there is still a high level of uncertainty and unpredictability among the population (Q2 and Q4): 29% of respondents are uncertain about the expected economic situation in the country, and 17% do not know what will happen to their financial situation. The outlook for the economy is no longer viewed as uniformly negative: 20% of respondents expect a deterioration, while 27% expect an improvement in the country's economic situation. Expectations regarding changes in household financial conditions remain at the positive level of the previous wave: only 16% of respondents expect a decline in family income, while 30% expect an increase.

An interesting situation is emerging regarding the distribution of disposable income: only 22% of respondents consider it a favorable time for major purchases, 24% think it is rather a bad time, and 38% note that the pros and cons are about the same. Despite this, consumer lending remains strong, and consumer demand continues to be overheated. At the same time, only 22% of respondents consider the conditions for savings to be favorable.

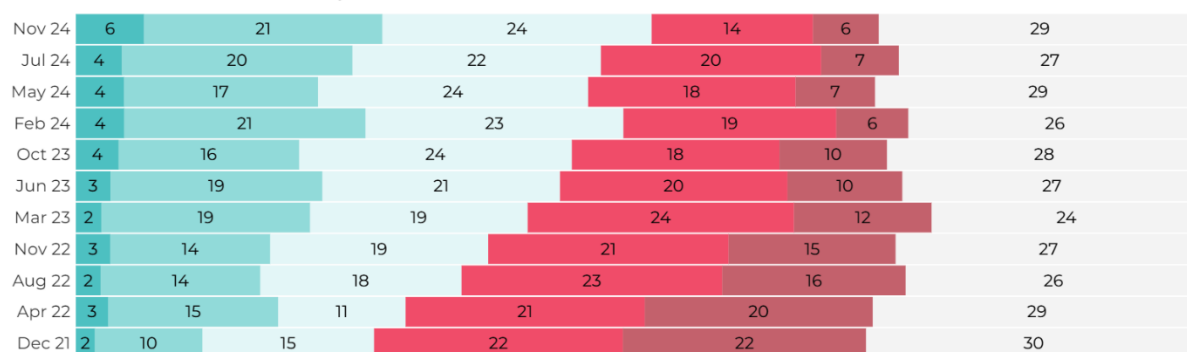
Figure 3. Components of the Consumer Confidence Index (%)

Improve Likely improve No change Likely decline Decline Difficult to answer

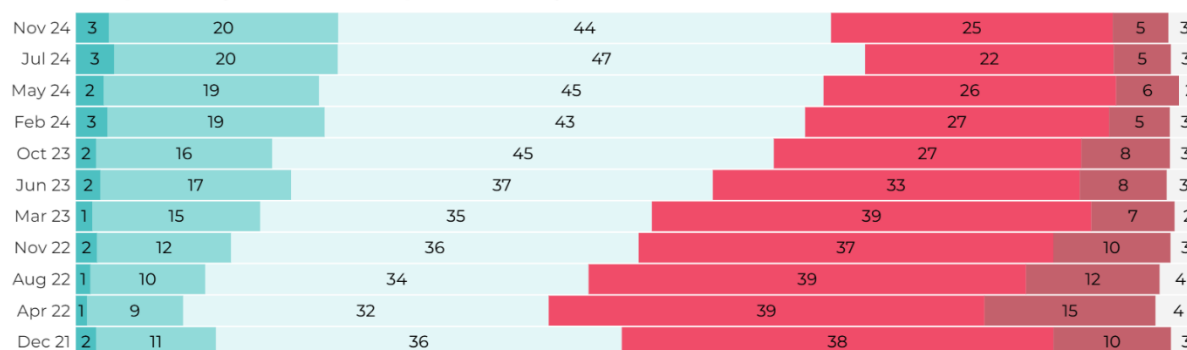
Q1 Economic situation compared to last year?



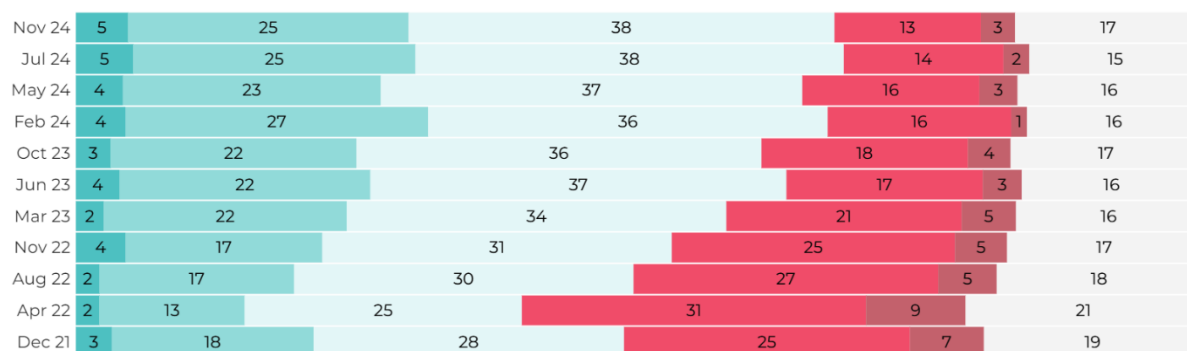
Q2 Economic situation over the next year?



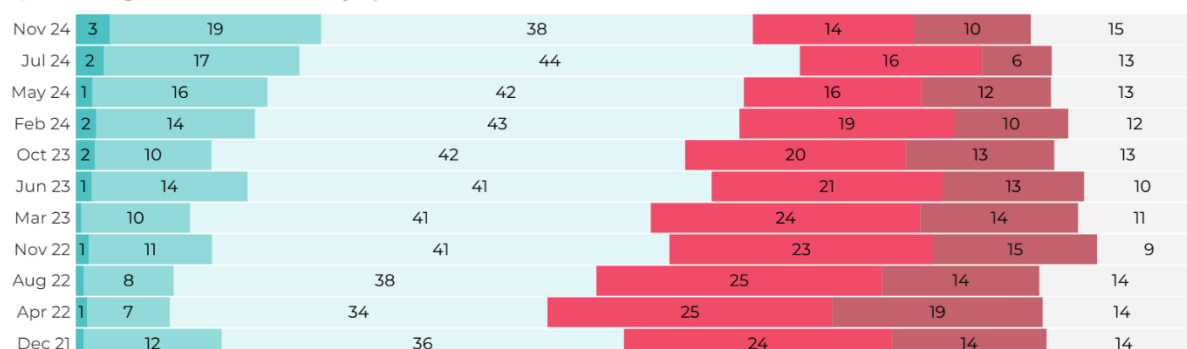
Q3 Financial position of your household compared to the last year?



Q4 Is it going to change over the next year?



Q5 Is it the right moment to make major purchases?



Optimists and pessimists

The average Consumer Confidence Index stood at 0.4% (according to the Eurostat methodology), while the average value of one of its components — expectations for the country — was 3.6% (Figure 4A-B). A significant contribution to the zero value of the index also came from the component assessing the future financial condition of households, which amounted to 7.6%.

In age groups, the least pessimistic about the present and future were individuals aged 18–24 (a similar trend is observed in many countries, as young people enter the labor market and plan to increase their income). The lowest Consumer Confidence Index, both among age groups and other categories, was found in people over 55 years old, with a value of -9.7%. In regional terms, the most pessimistic lived in the Vitebsk region (with a Consumer Confidence Index of -1.9% in November 2024), while the most optimistic regarding the future of the country's economy were in the Gomel and Mogilev regions: the component assessing the future of the country for these respondents stood at 8.5% and 8.1%, respectively.

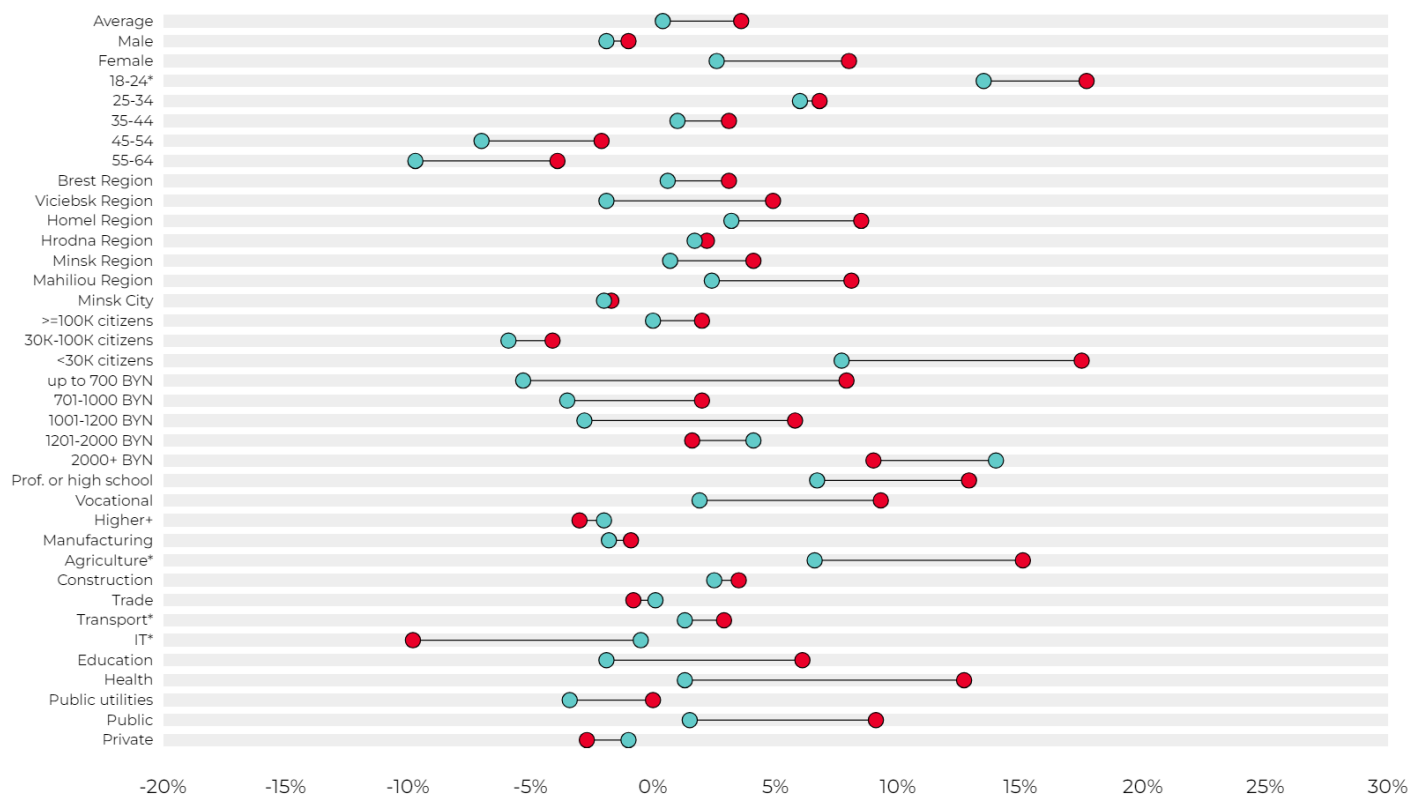
As expected, people with low incomes (up to 700 BYN) feel the worst. Interestingly, the level of satisfaction with the economic situation increases proportionally with income: for example, the Consumer Confidence Index for respondents with incomes up to 700 BYN was -5.3%, while for those with incomes of 2000+ BYN, it moved into positive zone at 14%. However, the same cannot be said for expectations regarding the country's economy: for instance, future assessments are similar for respondents with incomes both up to 700 BYN and 2000+ BYN, at 7.9% and 9%, respectively.

Belarusians with higher education traditionally assess both the future component and the current Consumer Confidence Index more negatively compared to those with secondary, vocational, or technical education. In terms of sectors, the main pessimists are IT workers, who rated the future of the country at -9.8%. The main optimists are those working in agriculture and healthcare. Employees of private companies, compared to those working in state-owned enterprises, traditionally rated both the overall Consumer Confidence Index and the future outlook for the country more negatively (-1% and -2.7%, respectively).

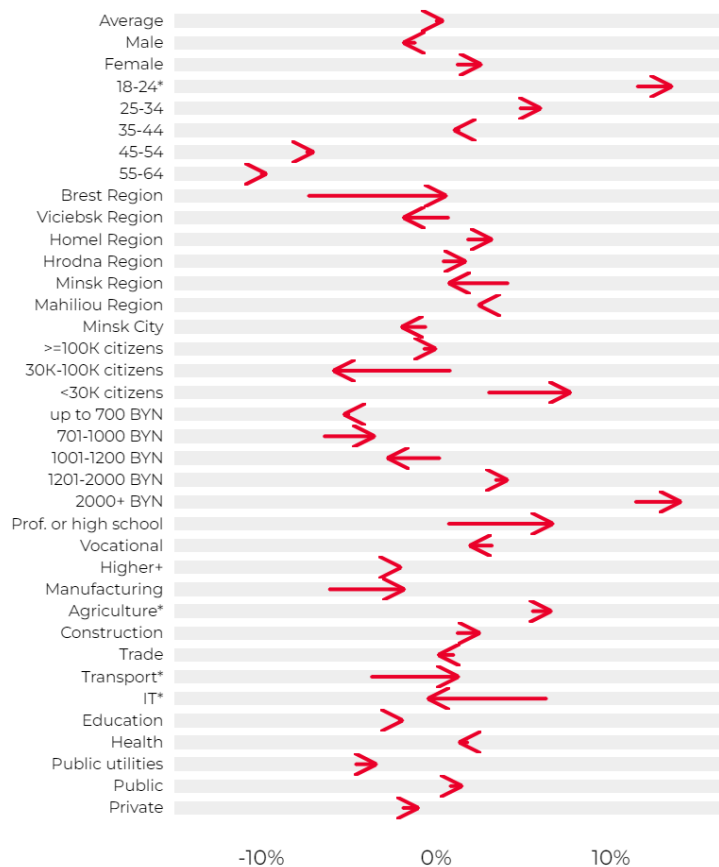
The Consumer Confidence Index did not change significantly over the quarter, which cannot be said about the component assessing the future of the country: despite the mixed dynamics, expectations for the country's future improved by 5.9 p.p. (Figure 4B).

Figure 4. The Consumer Confidence Index  and the country's future component 
(groups by gender, age, region, income, education, sector, ownership type)

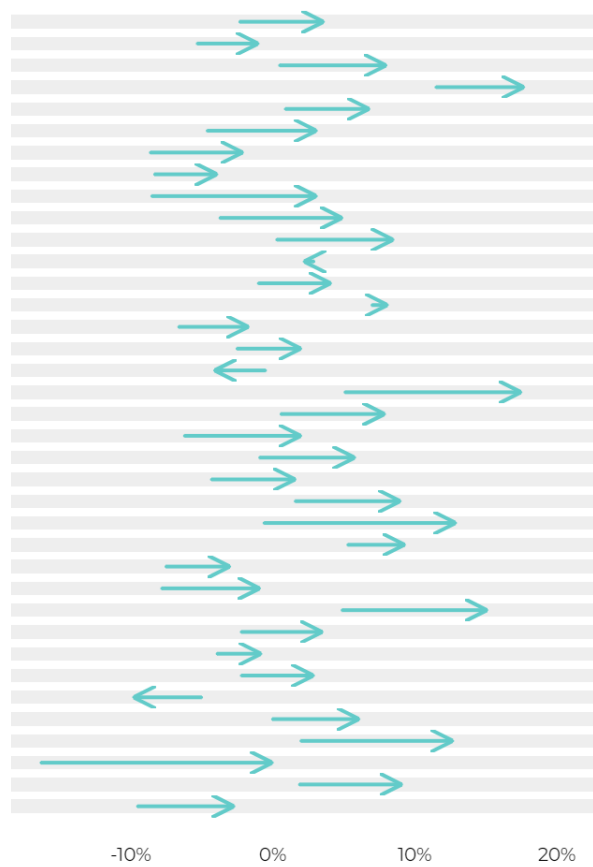
4A. November 2024



4B. Change in the index over the period



4C. Change in the future component over the period



Household incomes

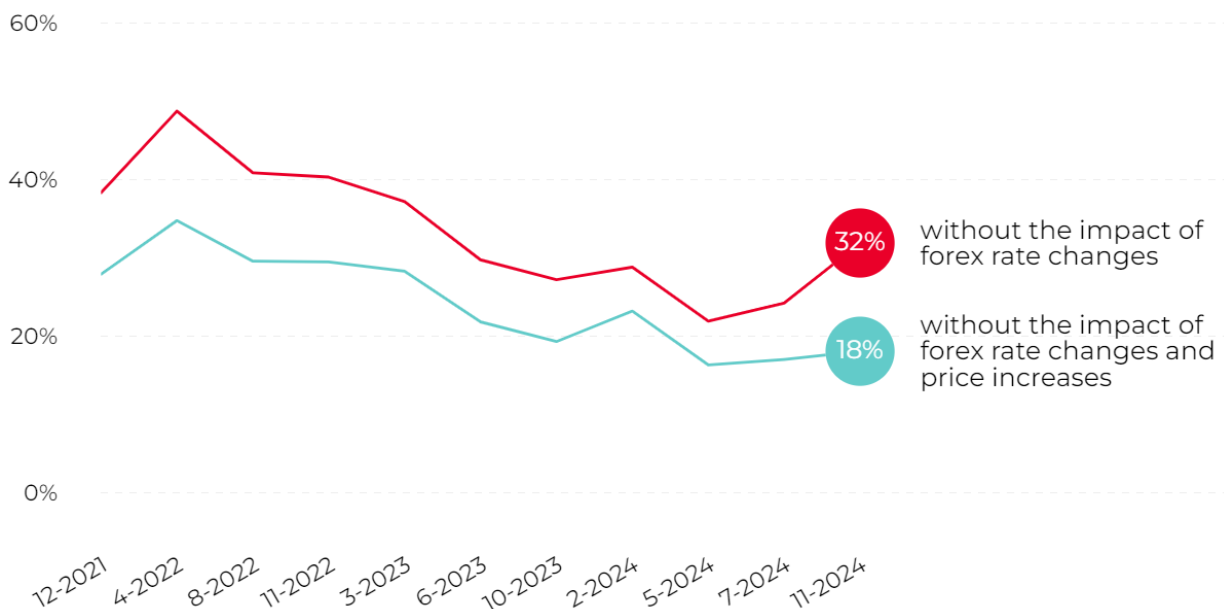
The share of people who reported a decrease in their income over the past month in November remained at the average level of 2024, standing at 26%.

If we exclude those who attribute the decrease in income solely to exchange rate fluctuations, the share of people who experienced a decline in income rises to 32%. The exchange rate of the Belarusian ruble became an important factor for 21% of respondents. The main reason for the decrease in income remains the rise in prices, cited by a record 71% of survey participants. However, excluding the impact of price increases and exchange rate changes, the share of those whose income declined for other reasons is 18% (Figure 5A). The highest rates of income decline, excluding the influence of exchange rates and price growth, were observed among the following groups of respondents:

- Those living in the Vitebsk region,
- People with initially low incomes,
- Entrepreneurs,
- Readers of independent media.

Figure 5. Share of population reporting an income decline (%)

5A. Change in share, since late 2021

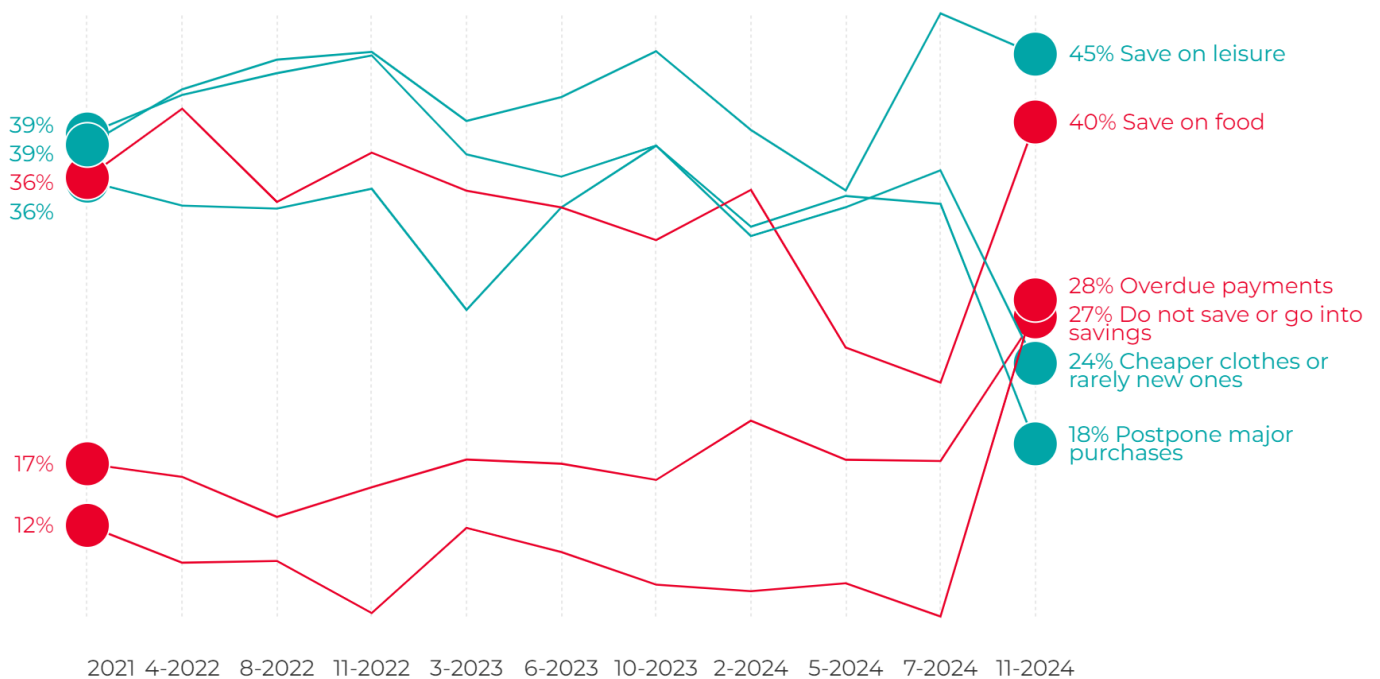


When considering the ways of responding to income reduction (Figure 5B), in this wave of the survey, respondents significantly more often saved on food and delayed mandatory payments. The share of people postponing large purchases became the lowest across all survey waves, standing at 18% of respondents with reduced income.

5B. How do households cope with falling incomes?

(out of those 26% who have experienced an income decline)

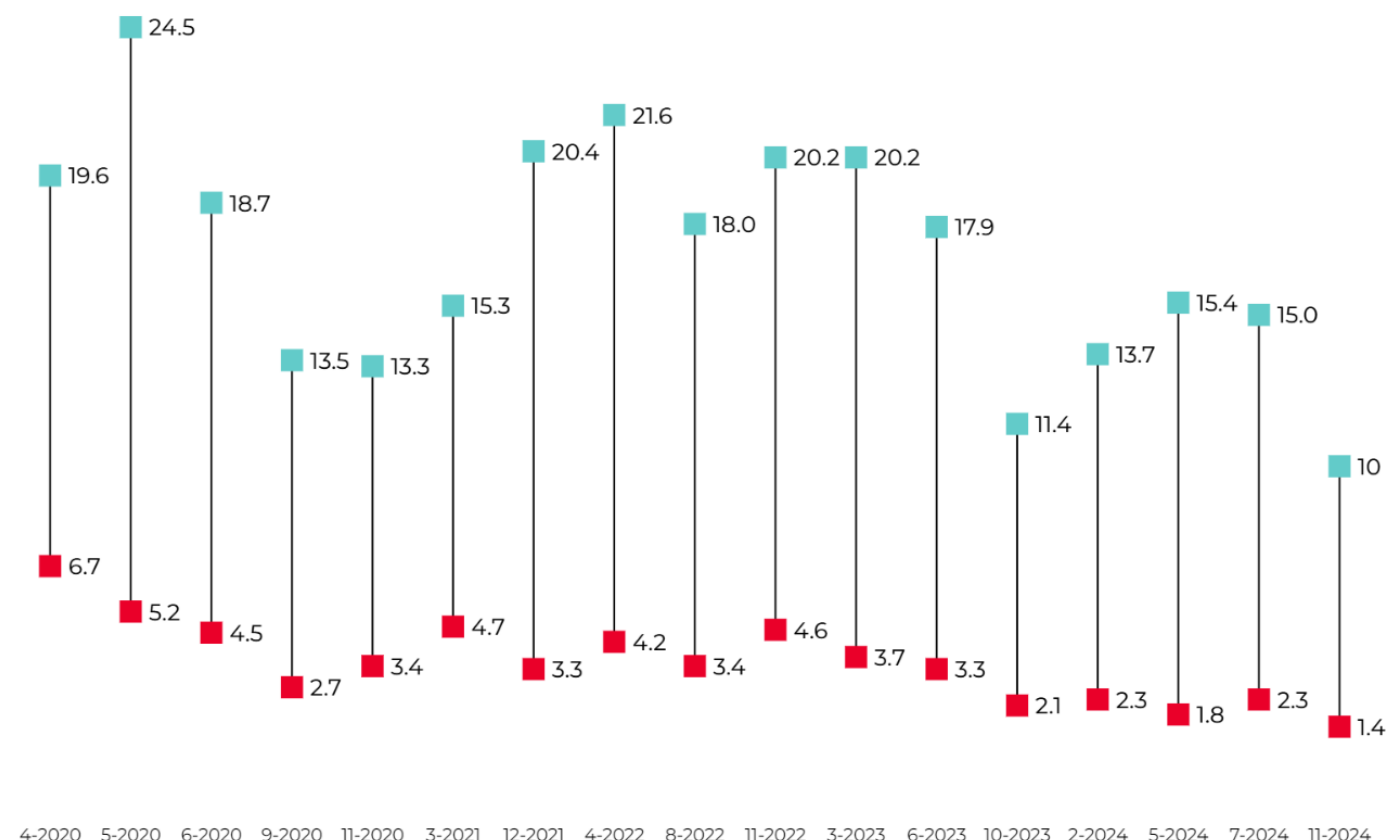
■ Increase ■ Decrease



Labor market

For a long time, a paradoxical situation persisted in the labor market: on one hand, the share of those who lost their jobs remained at an average level of 3.8%, while the level of job loss among friends and acquaintances—19.7%—was relatively high (Figure 6). In October 2023, both indicators reached their minimum: the share of those who lost their jobs was 2%, and the share of those whose acquaintances were fired decreased to 11%. In the 4th quarter of 2024, both indicators reached a new minimum: 1.4% of respondents reported losing their jobs, while 10% reported someone in their circle being laid off. 56% of respondents reported a shortage of staff in their field, marking a decrease of 1 p.p. compared to Q3.

Figure 6. What is the share of the unemployed? I lost my job and some of my acquaintances (percentage of those reporting a job loss)

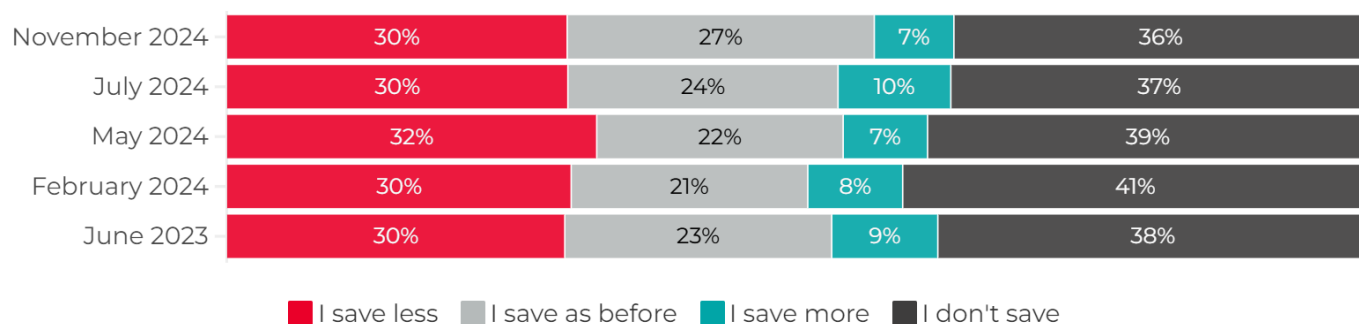


Saving behavior

Despite the recorded increase in wages, households have not increased their savings. On the contrary, compared to the summer of 2023, the share of respondents who reported spending more in the past six months has grown by 3% (Figure 7A).

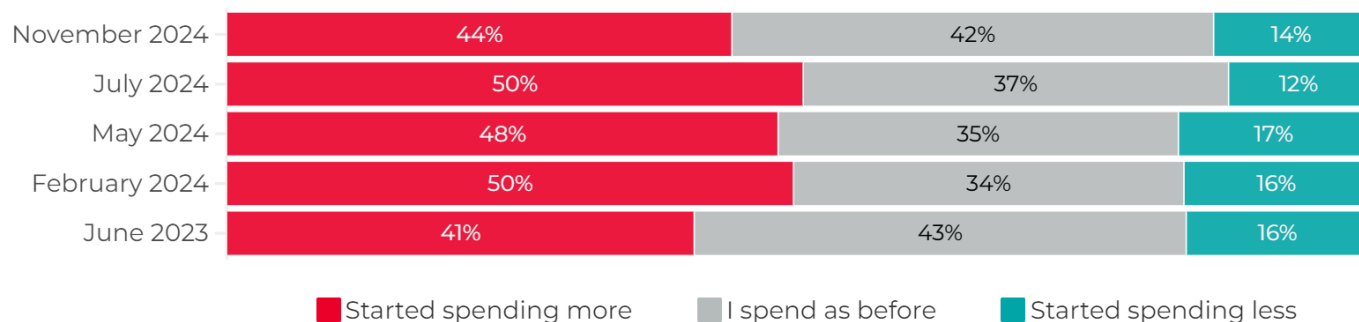
Figure 7. Do you prefer spending or saving?

7A. Have you **spent** more, less, or the same amount as before over the past six months?



Savings behavior did not undergo significant changes throughout 2024: by the end of the year, only 7% of respondents reported saving more, 57% saved at the same level or less, and 36% did not save at all (Figure 7B). Thus, the desire to spend still prevails over the desire or ability to save, and savings are held by 64% of respondents.

7B. Have you started **saving** more, less, or the same amount as before over the past six months?



Conclusions

The Consumer Confidence Index, calculated using both methodologies, has remained in positive zone, setting a new historical high. The share of respondents with declining income remains at 26%, but the ways of responding to falling income have changed: saving on food has once again become a popular option. The share of respondents who have lost their jobs is minimal, while 56% of respondents report a shortage of staff, reflecting the labor market situation. Belarusian households still prefer to spend rather than save.