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Express Analysis

November 2026

Belarus's economy maintained moderate growth in October 2026

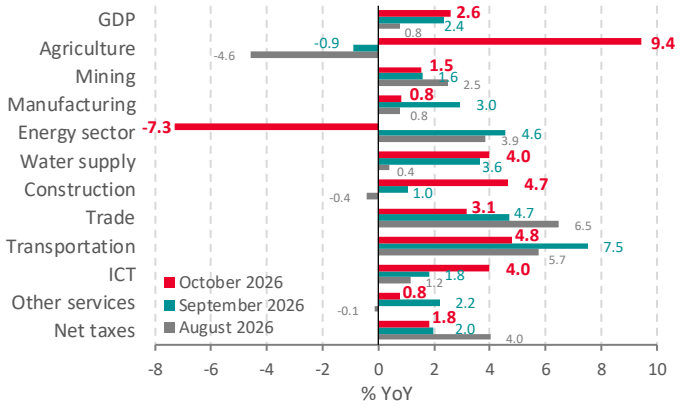
Over ten months, GDP increased by 2.1% YoY, and in October alone by 2.6% YoY **(Fig. 1.a)**. Seasonally adjusted GDP volume in October rose by ≈0.3% relative to the September level **(Fig. 1.b)**. Output continued to be supported by high domestic demand, driven by a substantial credit impulse and stimulative fiscal policy. In October, agricultural output rose sharply, influenced by this year's weather conditions. GDP dynamics in October were held back by a temporary reduction in oil refining due to repair work at Naftan, as well as a decline in energy sector output due to an abnormally warm October **(Fig. 1.a)**.

Excess consumer demand sustained elevated import volumes, which, amid subdued demand in the Russian market, translated into a widening of the deficit in external trade in goods and services to ≈1.7% of GDP in Q3-2026 (seasonally adjusted). This was reflected in the emergence of net demand for foreign currency in the domestic market in September–October, but at the same time high imports limited the imbalance between demand for goods and their supply amid stagnating industrial output. As a result, inflation remained moderate at 4.7% YoY in October and will come in at around 4.7–5.0% YoY in November.

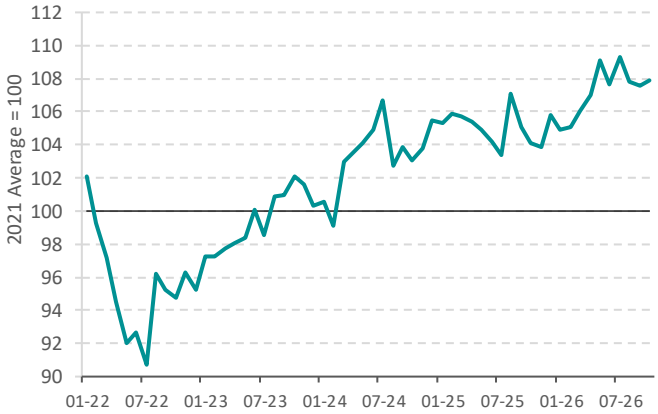
The high persistence of consumer demand and the maintenance of accommodative lending conditions and high budget expenditures will support economic activity at the end of the year. Over eleven months, GDP will grow by 2.2–2.4% YoY. Increasing damage to Russian infrastructure carries risks for Belarusian industry and exports. The materialization of these risks is not built into the baseline scenario.

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)



Source: calculations based on the data from Belstat.

Note: the estimates are updated once the data are verified. Monthly GDP data are estimates. In the October bulletin, Figure 1.a displayed an incorrect figure for the growth of net taxes on products in September. All other indicators, calculations, and figures (including the contribution of net taxes to GDP growth and their quarterly dynamics) were correct.

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

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Value added in agriculture grew by ≈9.4% YoY in October (Fig. 1.a), contributing ≈1.1 p.p. to annual GDP growth (Fig. 2.a)

The warm October facilitated earlier corn harvesting and winter crop sowing compared to last year, which translated into an acceleration of agricultural output. The harvest of major crops in agricultural organizations in 2026 exceeded its long-term average (Fig. 3.d). All else equal, the current year's harvest factor will not have pro-inflationary consequences in the short term. The livestock sector maintained moderate growth rates in October: milk production gained 3.6% YoY, livestock and poultry – 3.3% YoY. In November–December, the contribution of agriculture to GDP growth will decline.

Industrial value added growth decreased from ≈3.1% YoY in September to ≈0.1% YoY in October

Seasonally adjusted industrial output declined by ≈4% in October relative to September 2026 – to the lowest level of the current year. Overall, industry has been in a "sideways" trend since mid-2024 – real output in October was approximately 6% below the June 2024 peak (Fig. 3.a).

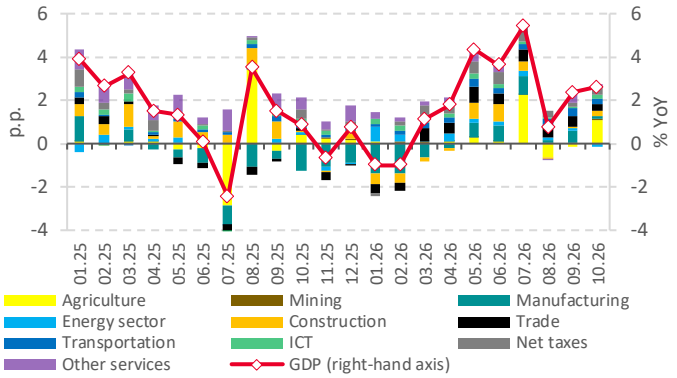
The decline in output in October is largely explained by a downturn in the energy sector. Its value added decreased by ≈7.3% YoY due to the abnormally warm month. Growth in manufacturing value added also slowed – from ≈3% YoY in September to ≈0.8% YoY in October (Fig. 1.a). At the same time, seasonally adjusted manufacturing output declined in October relative to the September level.

The sharp decline in production in the Vitebsk region in October points to a temporary reduction in oil refining at Naftan due to repair work, which was not fully offset by the Mozyr Refinery (Fig. 3.c). This was likely what led to the dip in wholesale trade turnover in October (Fig. 3.a).

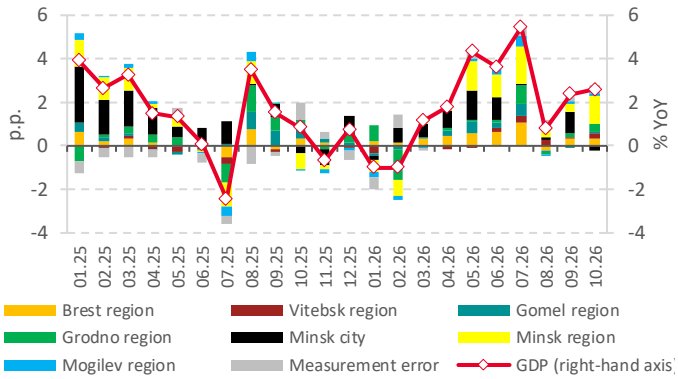
Manufacturing output in Minsk declined in October (Fig. 3.c). This supports the hypothesis that its sharp growth in September may have been caused by the completion of large orders in machinery. Overall, the civilian machinery sector (excluding car production) remained under pressure from weakened investment demand in Russia. The food processing industry and pharmaceuticals maintained high growth rates (+4.3% YoY and +8.2% YoY, respectively, for January–October 2026).

Figure 2. Dynamics of GDP in Belarus

a) sectoral structure of YoY GDP growth



b) regional structure of YoY GDP growth



Source: calculations based on the data from Belstat.
Note: the dynamics are updated once new data are published. The energy sector includes the water supply.

Cumulative industrial output growth will gradually increase toward 1% YoY by the end of the year

Given the need for fuel in Russia and as repairs at Naftan are completed, a recovery in petroleum product output can be expected in November–December. Sectors oriented toward consumer demand (the food processing complex, car manufacturing) will maintain high output growth rates. An increase in construction materials output against the backdrop of stimulation of domestic investment demand cannot be ruled out. Downside risks for industry in the short term are associated with the probability of transport and logistics complications in Russia.

Value added in the transport sector grew by ≈4.8% YoY in October (Fig. 1.a), contributing ≈0.3 p.p. to annual GDP growth (Fig. 2.a)

The transport sector maintained the trends of recent years: passenger turnover grew moderately (+5.5% YoY in October) thanks to longer trip distances, while freight turnover stagnated and was ≈37% below the average 2021 level (Fig. 3.a). These trends will in all likelihood persist in the near term.

It should be noted that transportation complications in Russia did not lead to an increase in the number of passengers carried in Belarus in October (a decline of 2.4% YoY and near-zero monthly growth, seasonally adjusted).

ICT sector increased its value added by 4% YoY in October (Fig. 1.a), adding ≈0.15 p.p. to annual GDP growth (Fig. 2.a)

The annual growth rate accelerated noticeably at the start of Q4-2026 (Fig. 1.a), which points to an increase in the number of people employed in the sector. Overall, the ICT sector remained on a recovery trajectory at a subdued pace due to the narrowness of the domestic market and the impact of sanctions. The room for growth remained significant: the sector's value added in October was almost 14% below the October 2021 level.

Consumer demand continued to expand in October

Trade sector value added grew by ≈3.1% YoY in October 2026 (Fig. 1.a), adding around 0.3 p.p. to annual GDP growth (Fig. 2.a). Growth in the sector slowed due to a 4.1% YoY decline in wholesale trade turnover in October, but remained moderately positive thanks to an increase in the retail segment.

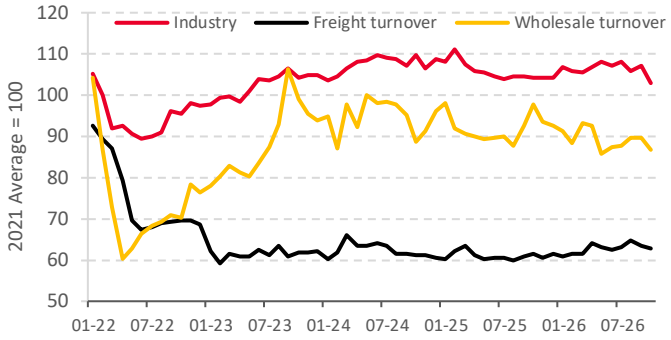
Retail trade turnover in October grew by 11% YoY and by ≈1% relative to the September level, seasonally adjusted (in real terms; Fig. 4.a). The expansion of household lending amid the easing of its price and non-price conditions, as well as the persistently high wage growth amid a labor shortage, continued to stimulate consumer demand. While industrial output has stagnated since mid-2024 (Fig. 3.a), real retail trade turnover gained more than 20% over this period. Consumer demand remained overheated, but the availability of imports limited the imbalance between demand for goods and their supply in the domestic market (Fig. 4.c). Given the high inertia of household expenditures and accommodative lending conditions (particularly for the purchase of domestically produced goods), consumer activity will remain high in November–December.

Investment grew in October, offsetting the September decline

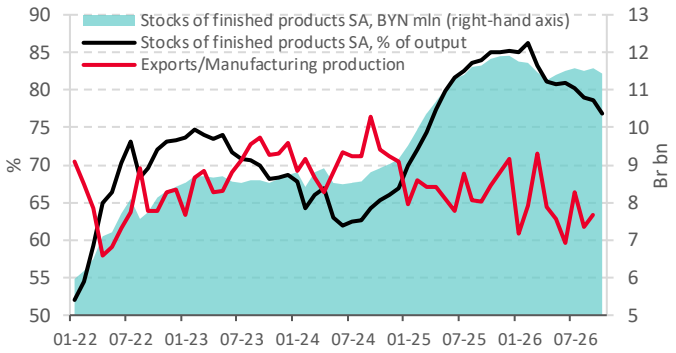
High volatility of investment is typical for Belarus and reflects the specifics of commissioning capital facilities.

Figure 3. Producer activity in Belarus

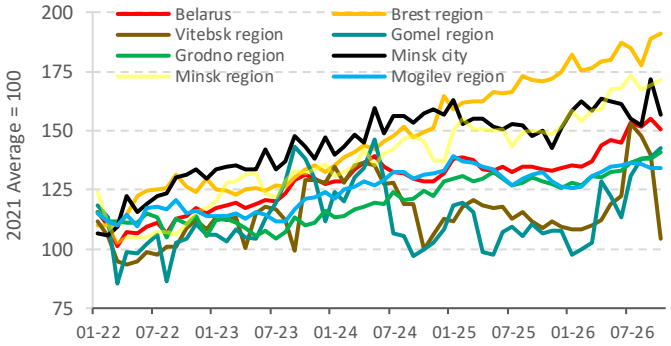
a) real output in industry, real wholesale trade, freight turnover (seasonally adjusted)



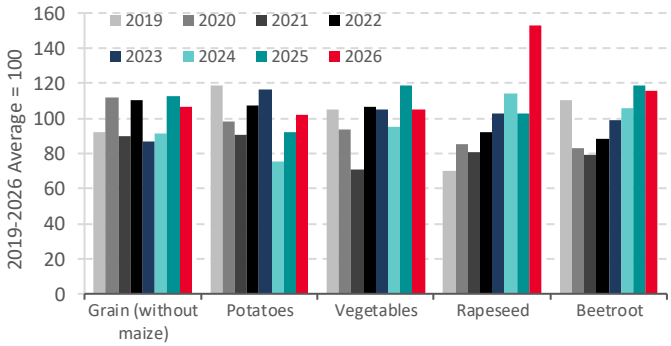
b) industrial stocks, the ratio of goods exports to output



c) nominal output of the manufacturing industry (seasonally adjusted)



d) harvest of major crops, November 1 (in agricultural organizations)



Source: calculations based on the data from Belstat, the National Bank.
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 Belstat's Industrial Output Index in 2015 prices. The dynamics are updated once new data are published.

In October, both investment in machinery, equipment, and vehicles and the volume of construction work increased (Fig. 4.b). Relative to the October 2025 level, construction value added grew by ≈4.7% YoY, contributing slightly more than 0.2 p.p. to annual GDP growth (Fig. 2.a).

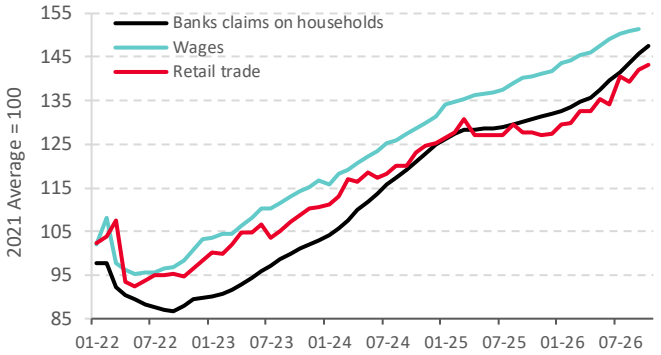
Overall, the active phase of investment activity recovery following the 2022 downturn ended by early 2025, after which its growth slowed substantially (Fig. 4.b). In the current year, investment growth (+2.6% YoY over ten months) has been almost entirely provided by preferential loans and budget injections. In November–December, government stimulation of investment demand will remain substantial in order to approach the target investment growth of 3.1% YoY for the year as a whole.

Foreign trade deficit in goods and services is estimated at around 1.7% of GDP in Q3-2026 (seasonally adjusted)

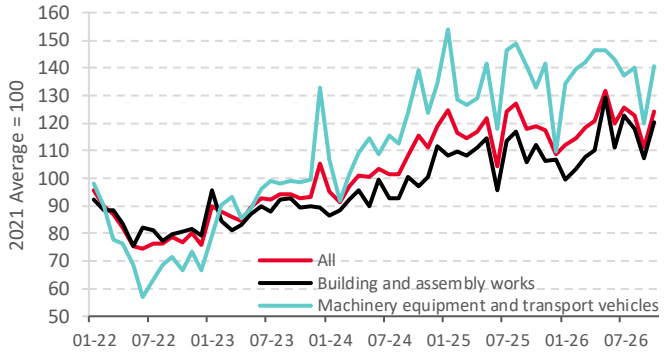
The deficit widened from around 0.8% of GDP in the previous quarter against the backdrop of goods import values growing faster than export values (Fig. 4.d). High imports made it possible to satisfy overheated domestic consumer demand, which to some degree limited the pro-inflationary effects of the latter. At the same time, amid subdued demand in the Russian market, the imbalance in the external trade position began to be reflected in the foreign exchange market. The net foreign currency supply observed for ten consecutive months gave way to net demand of around $170 mln on average per month in September–October (seasonally adjusted). The reserves accumulated by the National Bank (thanks to foreign currency purchases in previous periods) will make it possible to smooth the impact of the weakening external trade position on the Belarusian ruble exchange rate in the short term. The deficit is forecast to be close to 1–1.5% of GDP for the current year as a whole. At the same time, risks of a widening deficit remain comparatively high and are associated both with the negative impact on Belarusian exports of possible infrastructure constraints in Russia and with greater overheating of domestic demand in the event of a substantial strengthening of fiscal and monetary stimulus.

Figure 4. Domestic demand and foreign trade
(all indicators are seasonally adjusted)

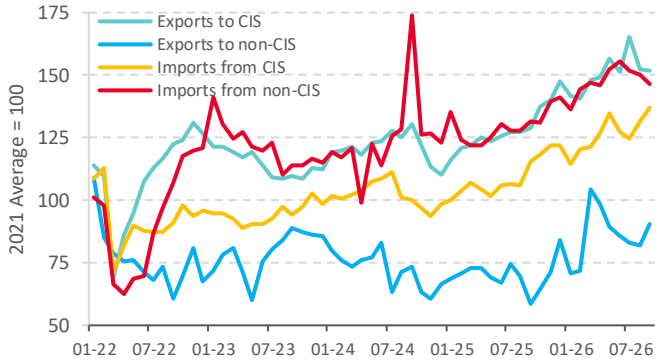
a) consumer demand (in real terms)



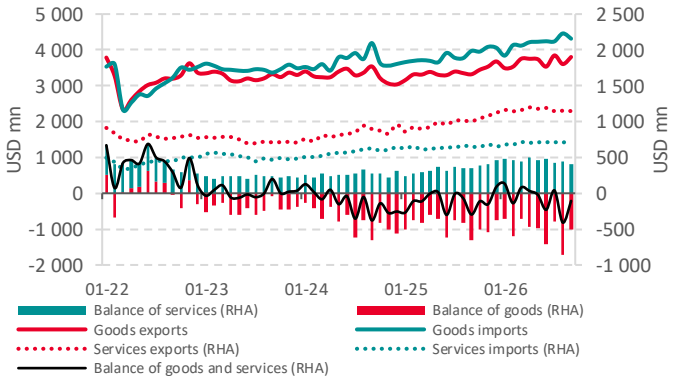
b) investments (in real terms)



c) goods exports and imports (value volumes)



d) foreign trade in goods and services



Source: calculations based on the data from Belstat, the National Bank.
Note: real retail trade volume is calculated by deflating nominal volume by the CPI for goods. Real wage has been calculated by deflating the nominal wage by the overall CPI. Real investment indicators have been calculated by deflating nominal investment by construction price indices. The indicator dynamics are updated once new data are published.

Investment, exports, and output of goods and services as a whole have shown subdued dynamics since mid-year, even despite an unprecedented credit impulse from non-bank financial institutions

Over Q3-2026, non-bank financial institutions increased their claims on non-state non-financial organizations by a record Br4.3 bn (around $1.4 bn). This is equivalent to a credit impulse of more than 5% of GDP over the quarter. At the same time, the net foreign assets of non-bank financial institutions declined by approximately $1.1 bn over Q3 – from around +$467 mln as of July 1, 2026 to -$665 mln as of October 1, 2026. Based on these data, it can be assumed that the non-bank financial institutions sector attracted external financing of around $1 bn in Q3-2026, which was directed toward lending to the economy. Judging by the dynamics of foreign trade operations, these resources likely financed goods imports into Belarus far more than Belarusian exports.

Inflationary pressure remained moderate in October 2026

The annual consumer price growth rate rose from 4.63% YoY in September to 4.66% YoY in October, while the annualized monthly price growth is estimated at ≈4.5% MoM (seasonally adjusted; **Fig. 5.a**).

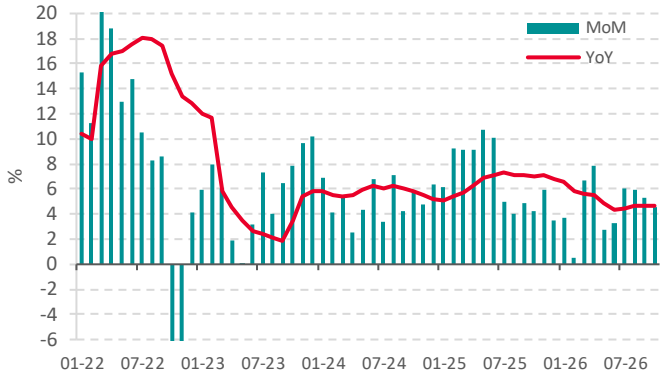
Non-core inflation is estimated at close to 2.8% MoM in October 2026 (Fig. 5.b)

Both components of the non-core index showed subdued dynamics in October. Administratively regulated prices rose by ≈5.4% MoM, which is almost half the September pace. The September–October fluctuations were largely caused by hot water supply tariffs. Due to the cold winter, the annual upward recalculation for this service for certain categories of payers turned out to be much larger than the seasonal norm in September, which led to the opposite effect in October.

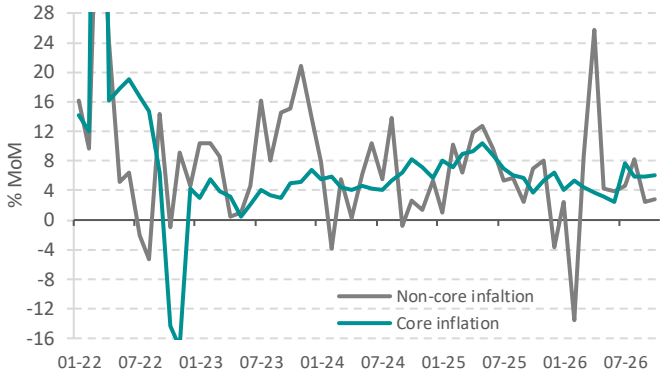
The second component of the non-core index – fruit and vegetables – continued to fall in price – by ≈14% MoM in October. The high harvest of apples and vegetables had a disinflationary effect. For the year as a whole, the cost of fruit and vegetables is expected to be approximately 8–10% below last year's level.

Figure 5. Inflation dynamics in Belarus

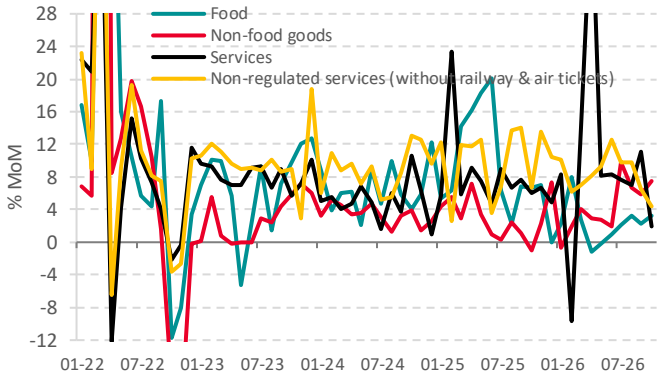
a) overall inflation (SA)



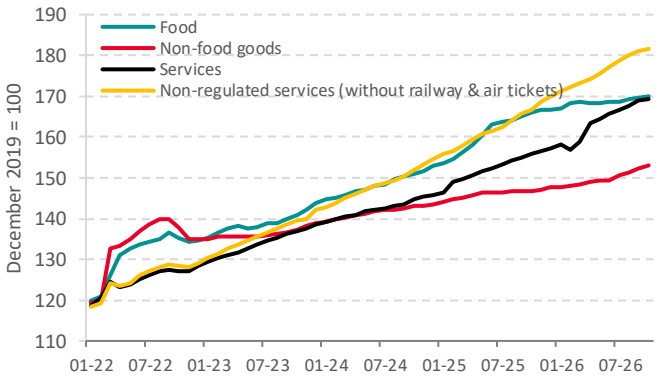
b) core and non-core inflation (SA)



c) inflation components (SA)



d) price levels of inflation components (SA)



Source: calculations based on the data from Belstat, the National Bank.
Note: YoY is a monthly growth rate versus the corresponding month of the previous year; MoM is an annualized monthly growth rate (seasonally adjusted) versus the previous month. SA is a seasonally adjusted indicator. The dynamics are updated once new data are published.

Core inflation is estimated at ≈6.1% MoM in October (Fig. 5.b)

Over the last three months, the growth of the core consumer price index remained close to 6% MoM. Non-food goods rose in price by ≈7.5% MoM in October. Their price dynamics have likely entered the 5–8% MoM range following the easing of state regulation in July (Fig. 5.c). Such monthly growth corresponds to moderate inflationary pressure, the sources of which remain increased labor costs and elevated consumer demand. Food products (excluding fruit and vegetables, alcoholic beverages, and tobacco products) rose in price by ≈5.5% MoM in October. Price growth in this segment slowed after the September spike, which may have been one-off in nature and caused by price increases by the rates permitted without approval from state bodies, accumulated since the start of the year.

The pace of non-regulated services price increases remained low for the second consecutive month

In October, it is estimated at ≈2.5% MoM, or ≈4.4% MoM excluding highly volatile international rail and air tickets (Fig. 5.c). Despite the slowdown in price growth in this segment, it is premature to judge a sustained easing of inflationary pressure. A negative contribution to market services inflation was made by volatile components: international rail and air tickets, tourism services, and in October they were joined by sharply cheaper taxi services.

Had these items shown at least zero monthly price growth in September–October, non-regulated services inflation would have been 7–8% MoM. The appreciation of the Belarusian ruble against the Russian ruble since mid-year likely had a significant disinflationary effect on tourism and international transport services. In turn, the most "weighty" and persistent item – market household services – continued to maintain a price growth rate above 11% MoM in October. This points to the presence of pro-inflationary pressure from a tight labor market and elevated consumer demand.

Annual inflation is expected at 4.7–5.0% YoY in November, and for the year as a whole will come in close to 4.8–5.3% YoY in the absence of strong shocks

The expansion of the money overhang under the authorities' stimulative economic policy represents a significant risk of intensifying inflationary processes in the medium term. Broad money supply in October grew by ≈18% MoM and by 22.1% YoY. For the year as a whole, its growth will exceed 20% YoY, outpacing real GDP growth almost tenfold. As a result, the GDP deflator – a broader indicator of inflationary processes compared to the consumer price index – will amount to around 11.5–12% YoY in 2026. Price growth in the economy will be more than double consumer inflation, which carries risks of deferred pass-through of costs into retail prices.