

Currency War starts against Belarus

By [Global Research](#)

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Region: [Europe](#), [Russia and FSU](#)

Theme: [Global Economy](#)

Following the devaluation of the Belarusian ruble almost all foreign banks in neighboring countries have ceased to quote the national currency of Belarus. For example, such Latvian banks as Citadele Banka, Baltikums Banka, Trasta komercbanka, Latvijas Biznesa Banka don't quote Belarusian rubles. The neighboring countries could previously exchange the Belarusian rubles into other currencies.

Thus, the Latvian Rietumu Banka, which was still ready to carry out foreign exchange transactions with non-cash Belarusian rubles at the rate of Br7.000 per dollar (€9.882) on Monday, May 23, it has stopped any transactions both with cash and non-cash Belarusian rubles since May 24.

Those few banks that are still willing to sell Belarusian rubles, provided for their demand, set substantially overvalued rates, compared with the National Bank official rate.

Thus, the Latvian SEB banka is ready to sell dollars at the rate of Br9.110 – Br9.190 per dollar. The bank's dollar purchase price is equal to Br3.956.35 on May 25.

In this case, May 25, Belarus's National Bank official rate is Br4.931 per dollar, Br6.933.48 per euro.

Meanwhile, following the devaluation of the Belarusian ruble, its official rate has appreciated by almost 54% in neighboring Russia. If the cost of Br10 thousand, set by the Central Bank of Russia on May 23, was slightly more than RUB88.7 the day before the devaluation, the rate dropped by almost 54% to RUB57.6 for Br10 thousand after the devaluation on May 25. Meanwhile, according to available information, the majority of Russian banks, as well as in neighboring Latvia, refuses to quote the Belarusian currency.

Belarusian ruble official rate in the Ukraine, according to statistics from the National Bank of the Ukraine, has appreciated by 56.2% after the devaluation. Nevertheless, most commercial banks don't quote the national currency of Belarus as well.

As Telegraf previously reported, May 24, National Bank of Belarus [held](#) ruble devaluation, as well as restored rate fixing restriction. Now FX limiting values for purchase-and-sale on both the OTC and cash market can only + / -2% deviate from the rate of National Bank (conversion – from the cross-rate, based on official rate of the Belarusian ruble to the respective currencies). Following the devaluation, Belarus's commercial banks [adjusted](#) rates for the maximum allowable level.

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