



**Ministry of Economic Development
of the Russian Federation**

Trends in the Russian economy



Russian economy at a glance

| | Actual data | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------------------------------------------|-----------------------|-------------------|------|-------|-------|-------|-------|
| GDP, %yoy | | 1,5 | -0,2 | -2,5 | 0,7 | 1,8 | 3,7 |
| Industrial production, %yoy | 2,2 ³⁾ | 1,0 | 1,3 | -0,8 | 1,7 | 0,4 | 3,4 |
| Mining | 0,7 ³⁾ | 2,0 | 2,7 | 0,7 | 1,7 | 1,1 | 1,0 |
| Manufacturing | 3,3 ³⁾ | 0,2 | 0,5 | -1,3 | 3,2 | 0,5 | 5,1 |
| Investment, %yoy | 4,4 ²⁾ | 4,4 ¹⁾ | -0,2 | -10,1 | -1,5 | 0,8 | 6,8 |
| Retail sales, % yoy | 2,3 ³⁾ | 1,3 | -4,6 | -10,0 | 2,7 | 3,9 | 6,3 |
| Nominal wages, %yoy | 12,9 ³⁾ | 7,3 | 7,9 | 5,1 | 9,1 | 11,9 | 13,9 |
| Real wages, %yoy | 10,5 ³⁾ | 3,5 | 0,8 | -9,0 | 1,2 | 4,8 | 8,4 |
| Unemployment rate, % | 5,1 ³⁾ | 5,2 | 5,5 | 5,6 | 5,2 | 5,5 | 5,5 |
| CPI, %yoy (eop) | 2,4/2,4 ⁴⁾ | 2,5 | 5,4 | 12,9 | 11,4 | 6,5 | 6,6 |
| USDRUB (annual average) | 58,6 ⁵⁾ | 58,3 | 66,9 | 60,7 | 38,0 | 31,8 | 31,1 |
| Real effective exchange rate (2015=100%) | 110,6 ⁶⁾ | 111,3 | 99,5 | 100,0 | 119,8 | 130,3 | 128,8 |
| Urals, USD/bbl (annual average) | 68,1 ⁵⁾ | 53,0 | 41,7 | 51,2 | 97,2 | 107,9 | 109,2 |
| Current account balance, %GDP | | 2,5 | 2,0 | 5,0 | 2,8 | 1,5 | 3,2 |
| Exports of goods, %GDP | | 22,4 | 21,9 | 24,9 | 23,9 | 23,4 | 24,5 |
| Imports of goods, %GDP | | 15,1 | 14,9 | 14,1 | 14,8 | 15,3 | 15,6 |
| International reserves, USD bn. | 458 ⁶⁾ | 433 | 378 | 368 | 385 | 510 | 538 |
| Corporate loan rate (>1 year) | 8,6 ⁷⁾ | 10,7 | 13,0 | 15,0 | 11,7 | 11,5 | 9,9 |
| Household deposit rate (>1 year) | 6,7 ⁷⁾ | 6,9 | 8,4 | 10,2 | 8,1 | 7,9 | 6,7 |

1) Gross fixed capital formation
2) For 2017
3) For Jan-Feb 2018

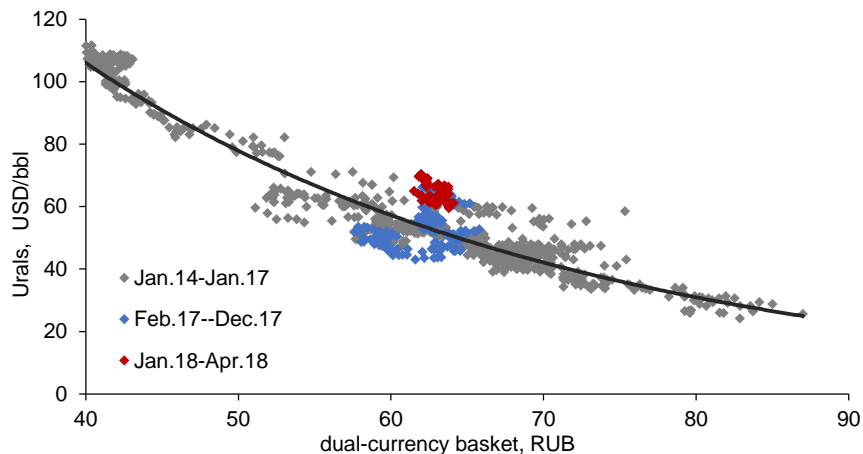
4) On Apr 2, 2018 /for March 2018
5) On April 10, 2018
6) On April 1, 2018

7) On February 1, 2018

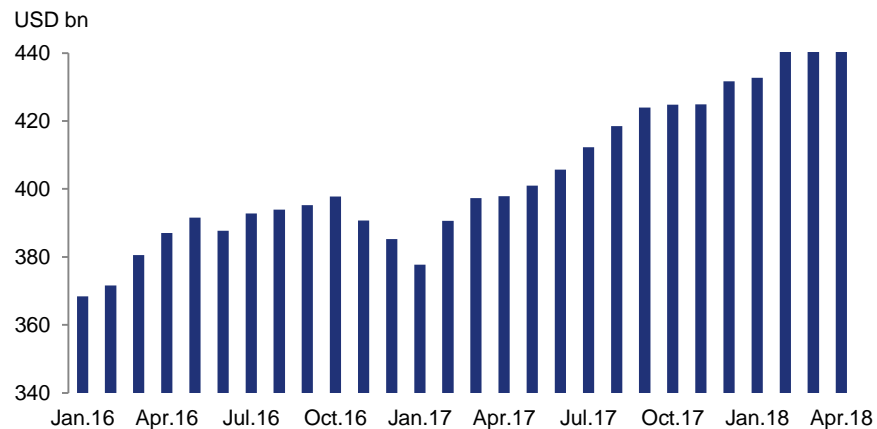


Macroeconomic accomplishments

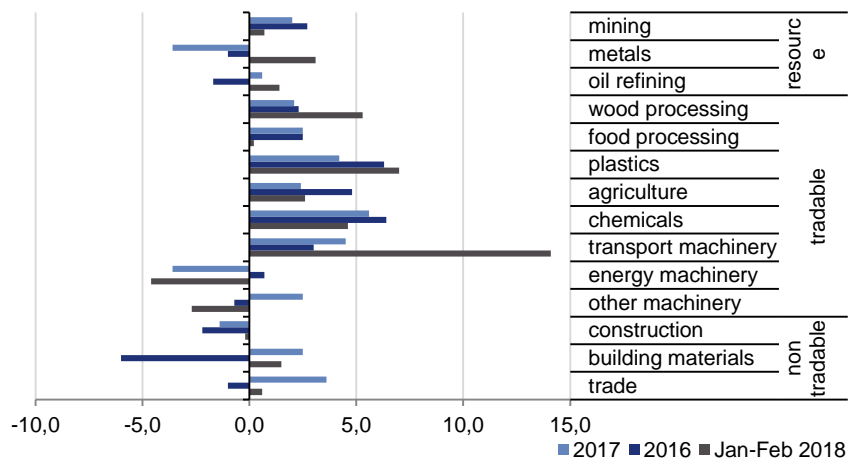
USDRUB/oil correlation has declined



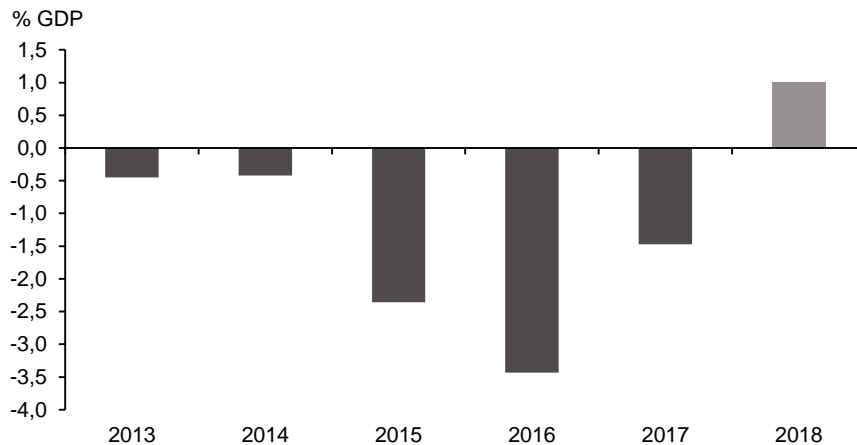
FX reserves are on the rise



Economic growth across industries



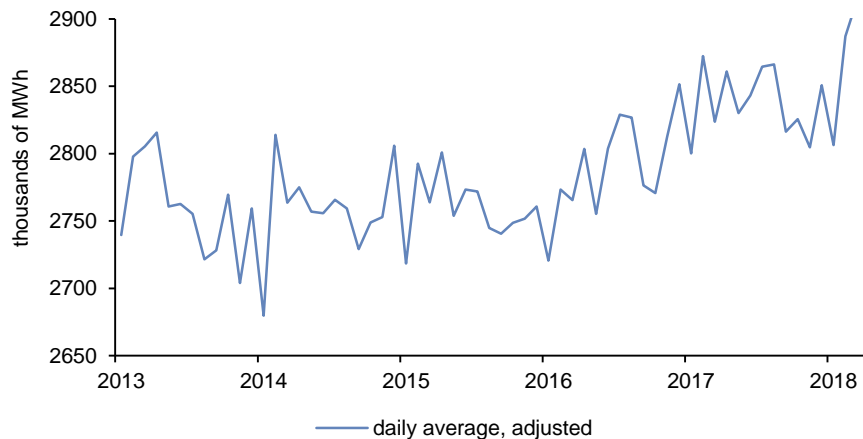
Federal budget deficit (-) / surplus (+)



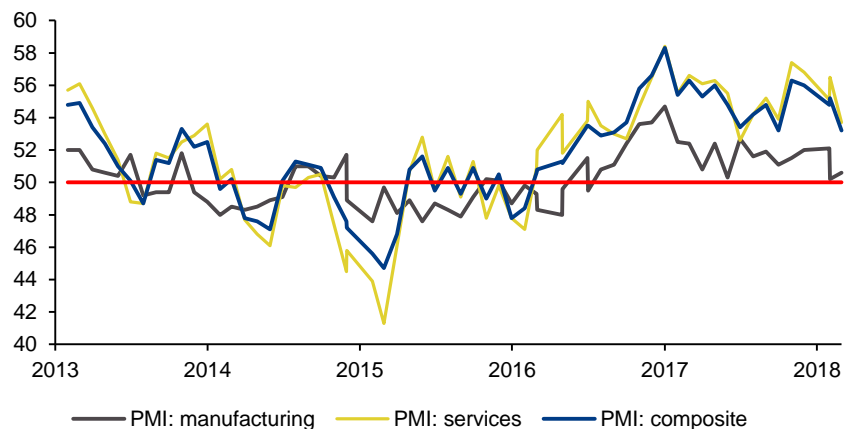


Coincident indicators point to more resilient 2017 growth

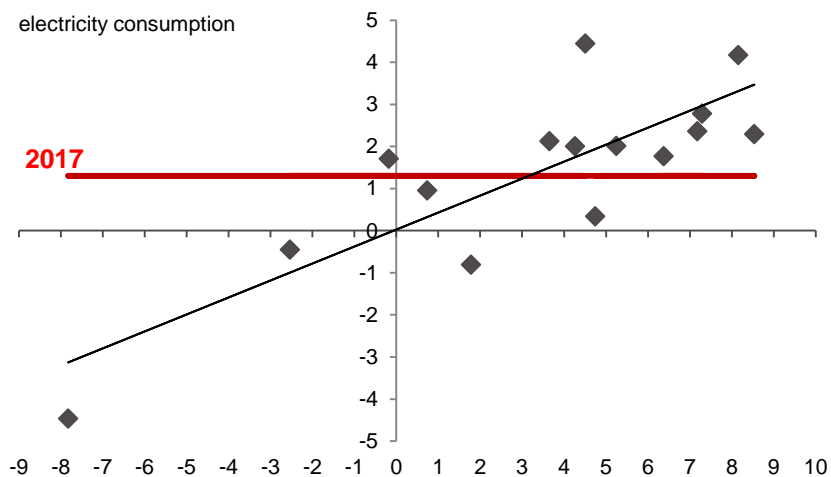
Electricity consumption on the rise



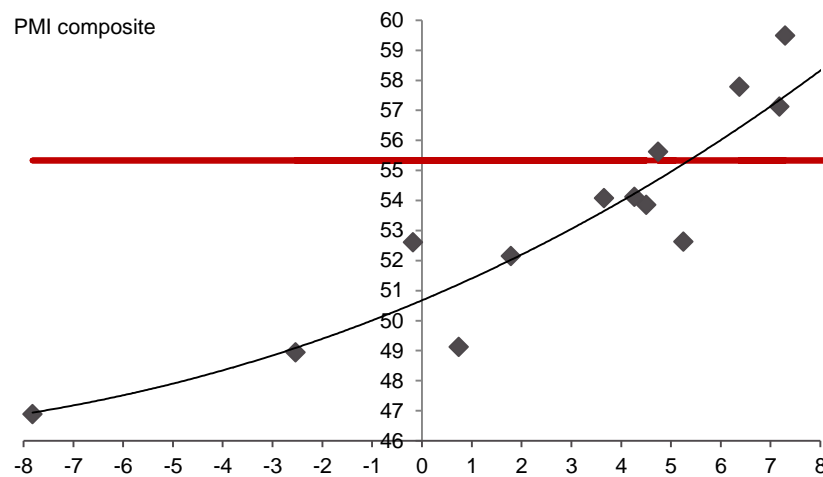
Composite PMI



electricity consumption



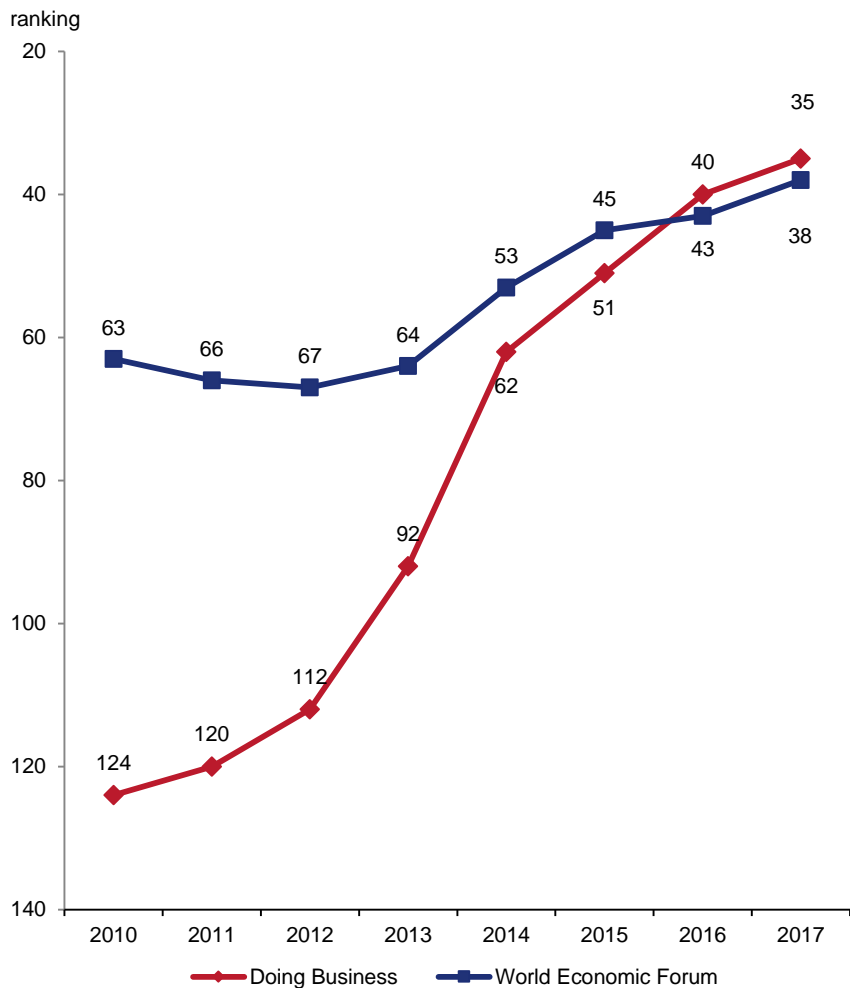
PMI composite



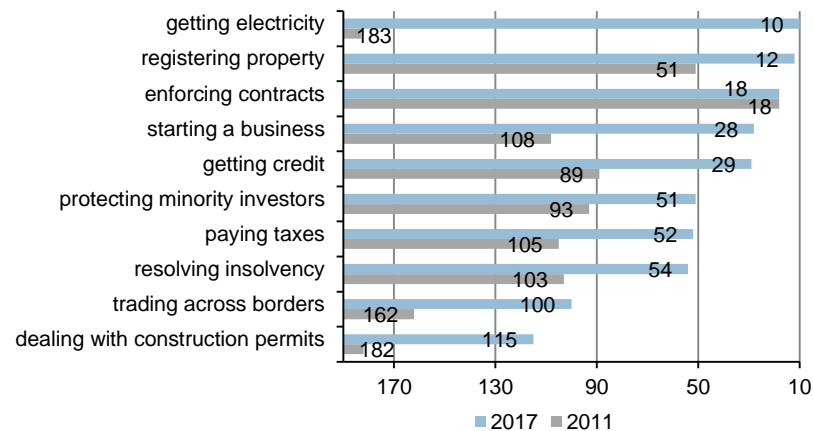


Up the international rankings

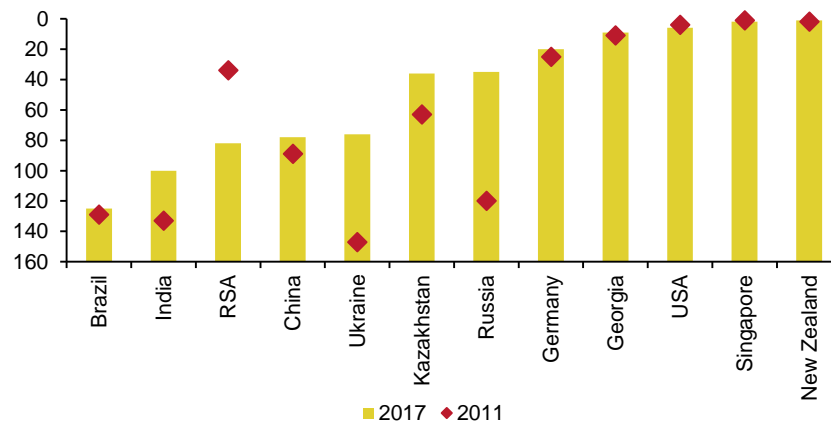
International rankings indicate continuous improvement of business environment in Russia



In 2017 Russia made it to the top-30 in 5 of 10 Doing Business indicators



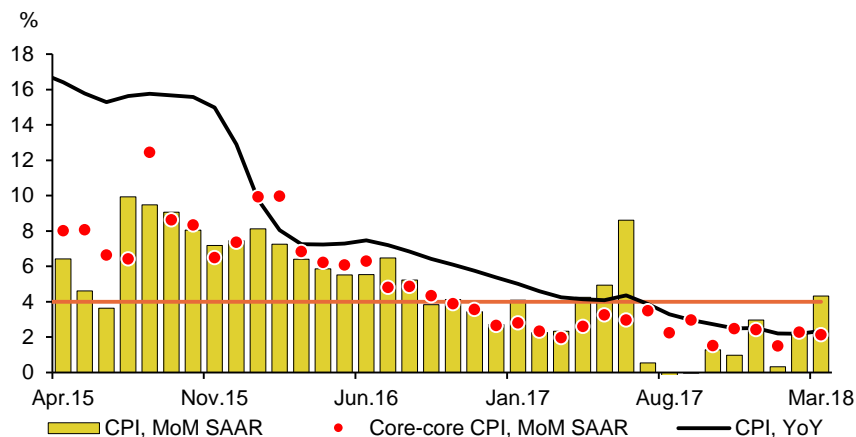
Russia ranks 1st among BRICS in Doing Business



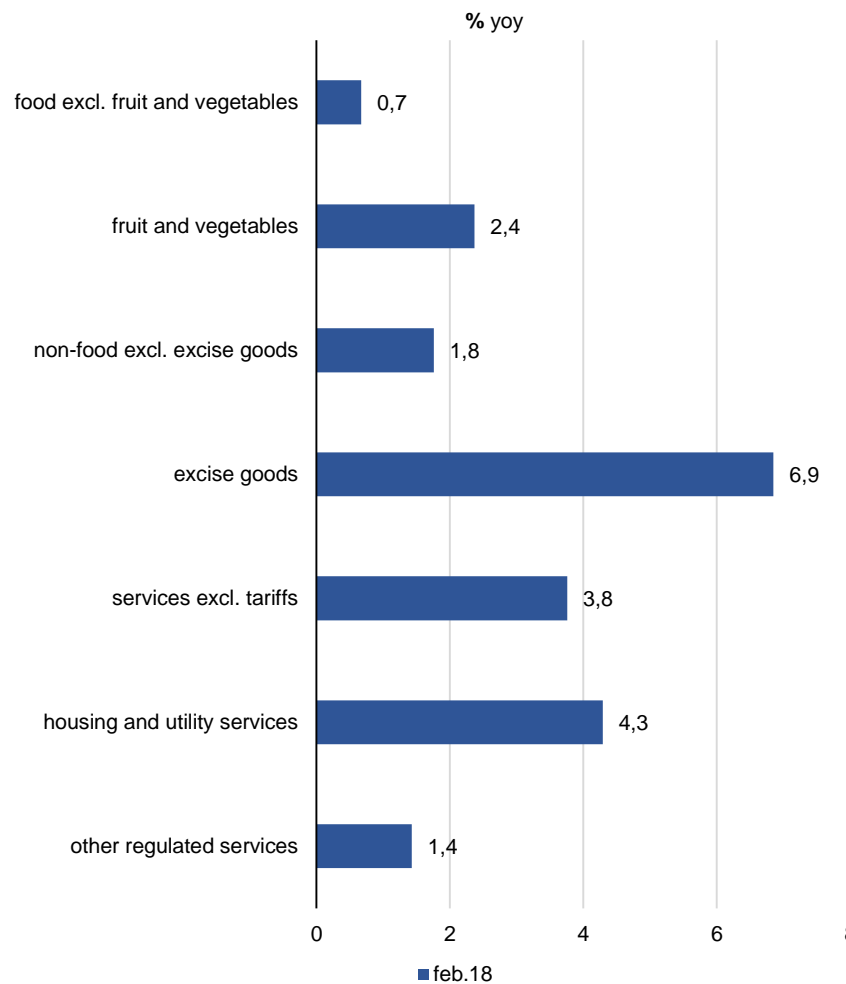


Inflation is still at low levels

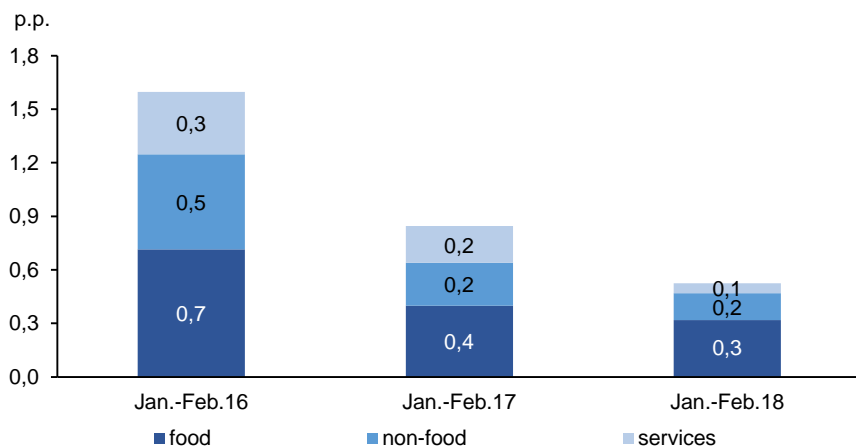
Consumer prices grow moderately



Non-regulated prices growth is mostly well below 4%



Contributions to CPI





Increasing national prosperity

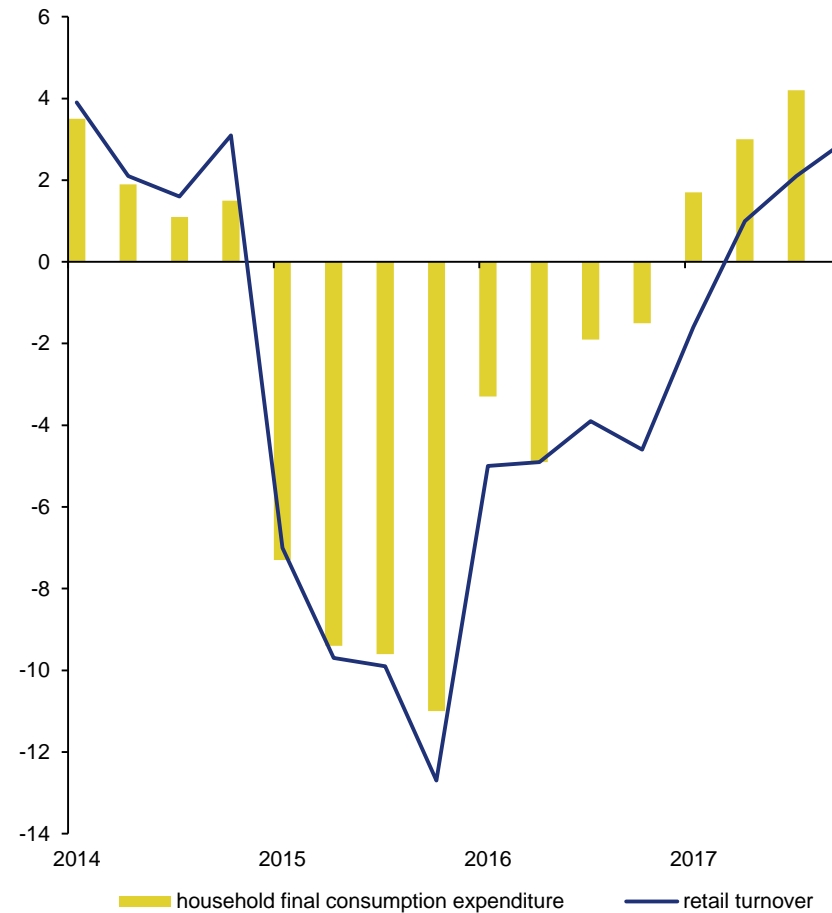
Growth of consumer spending fueled by rising wages

Jan.08=
100%,SA



Acceleration of final consumption during 2017

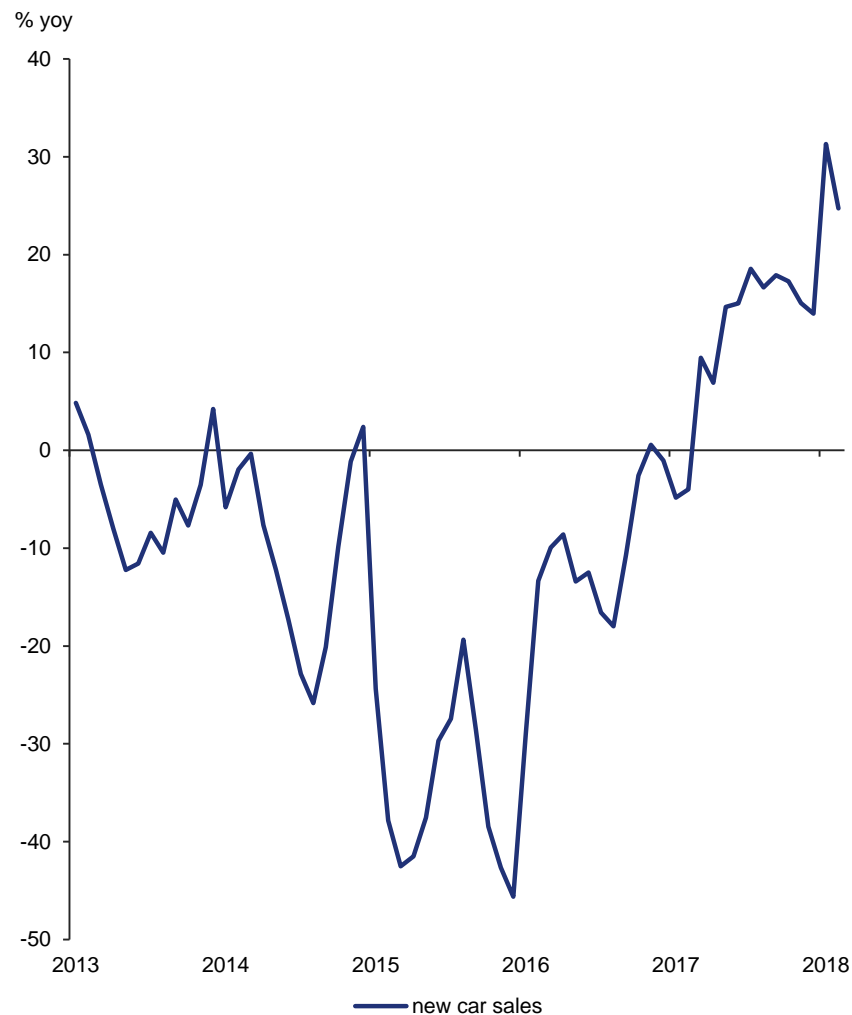
% yoy



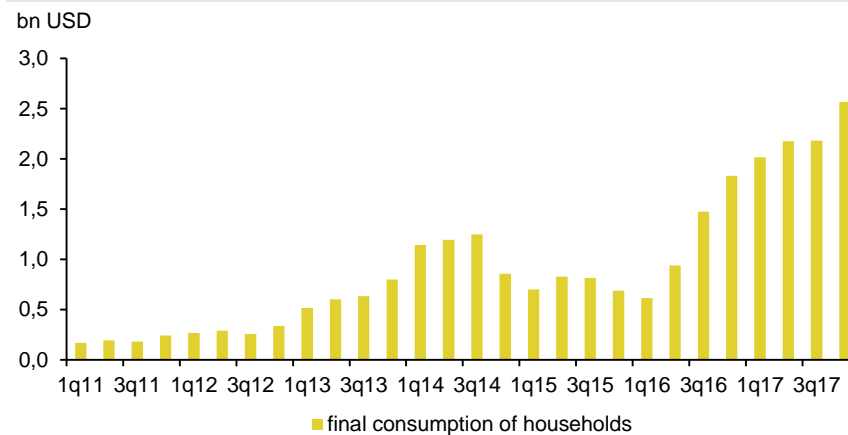


Growth of consumer demand in line with hard data

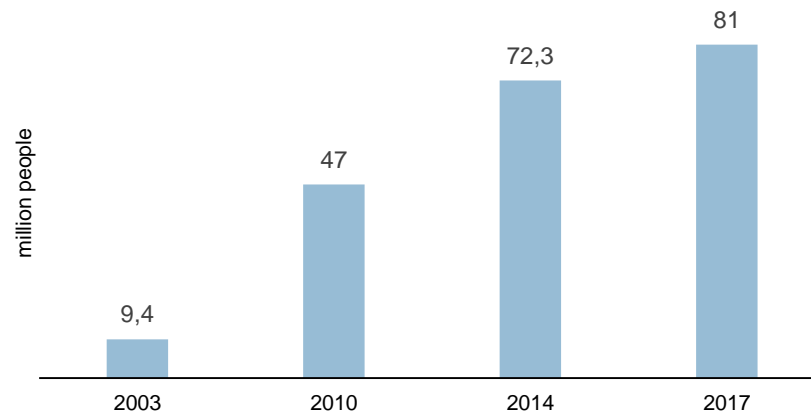
Recovery of new car sales after two-year slump



Online purchases abroad doubled over the year



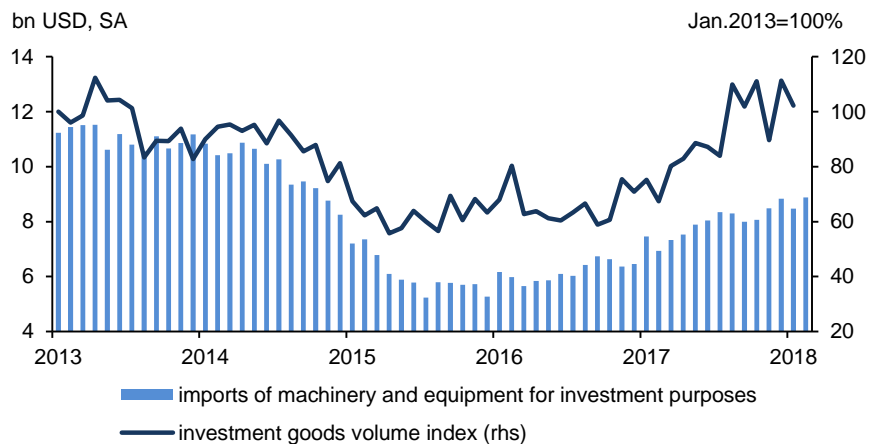
Nation-wide Internet access



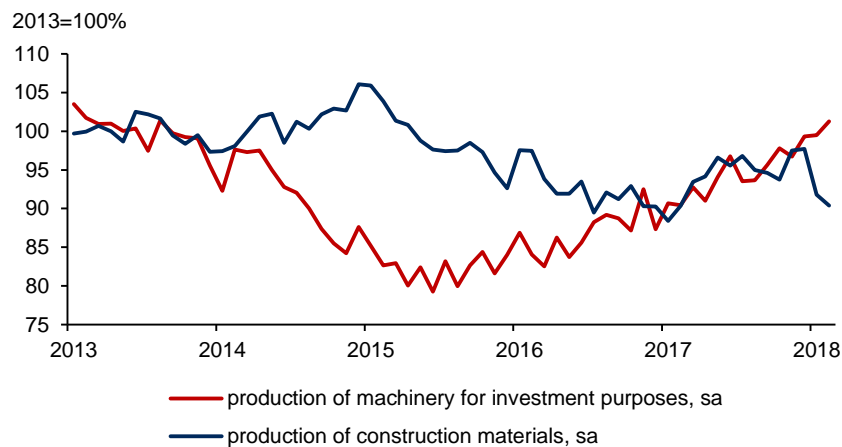


Fixed capital formation gathers pace

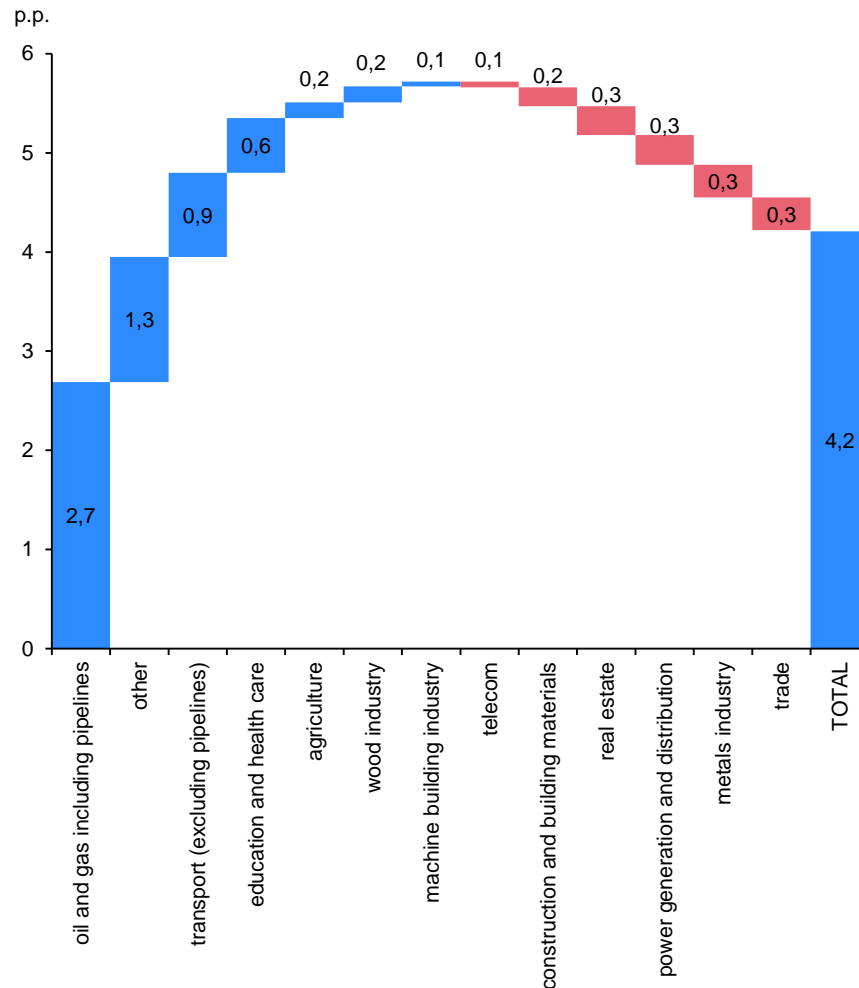
Production of investment goods



Imports of investment goods



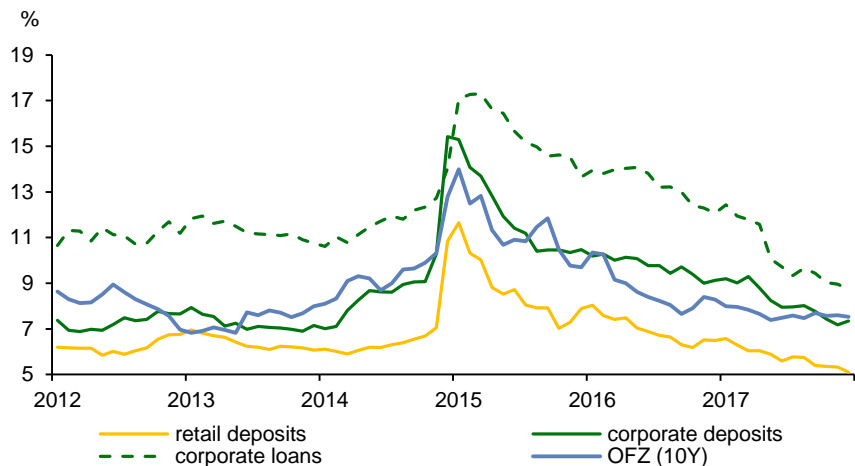
Fixed capital investment by industry for Jan-Dec 2017



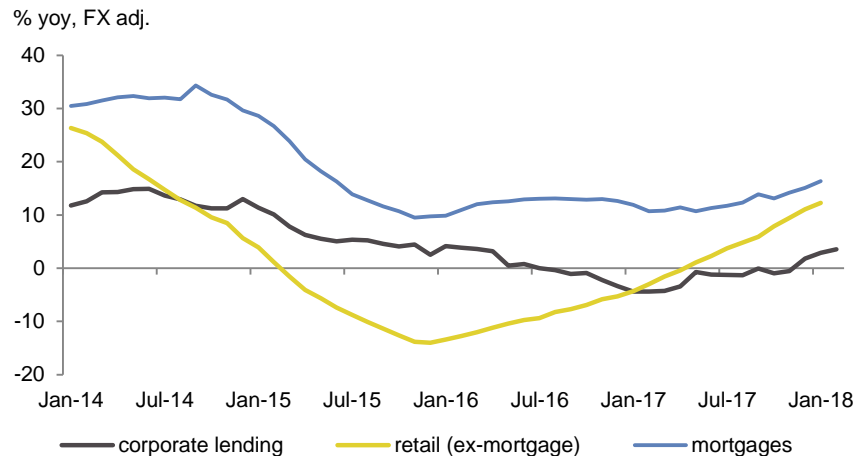


The beginning of a new credit cycle

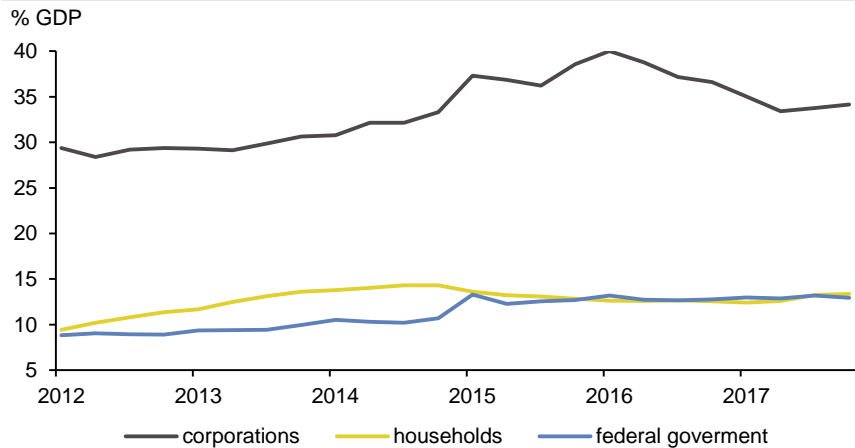
Sharp reduction in interest rates across the market



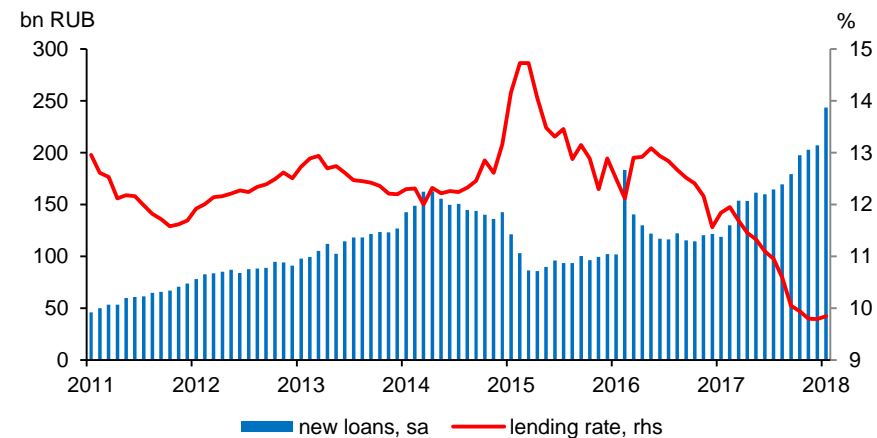
A recovery in lending growth is on its way



Debt burden



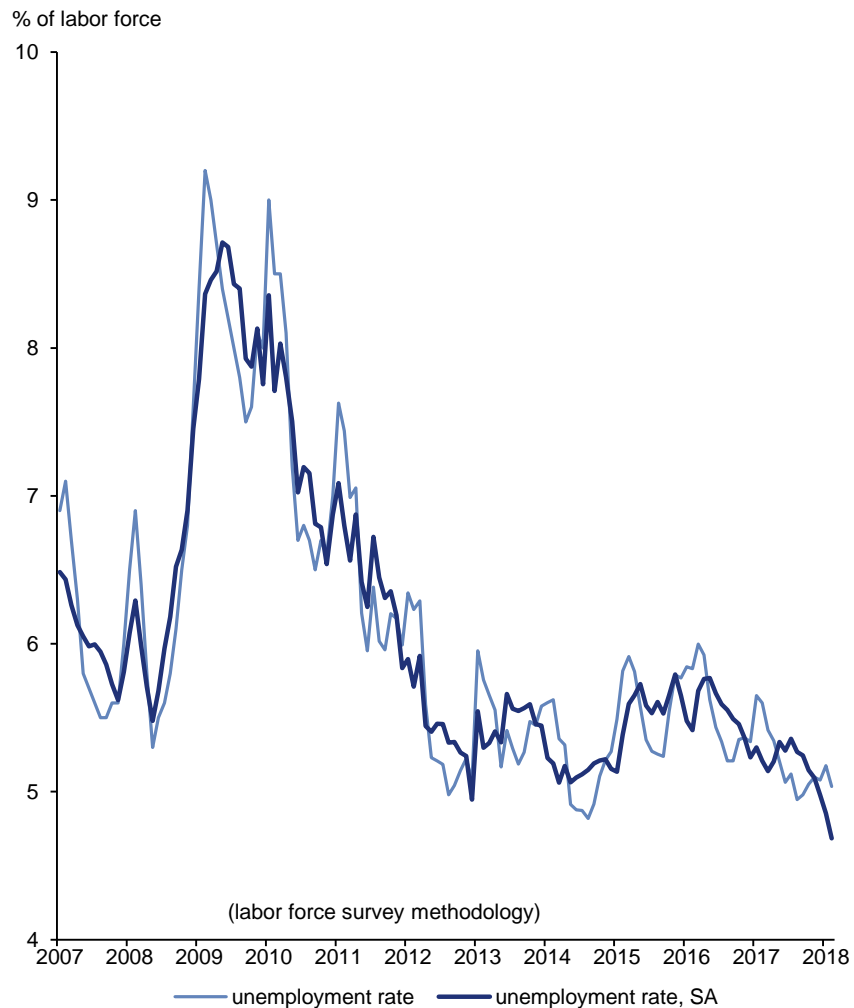
Mortgage lending recovery



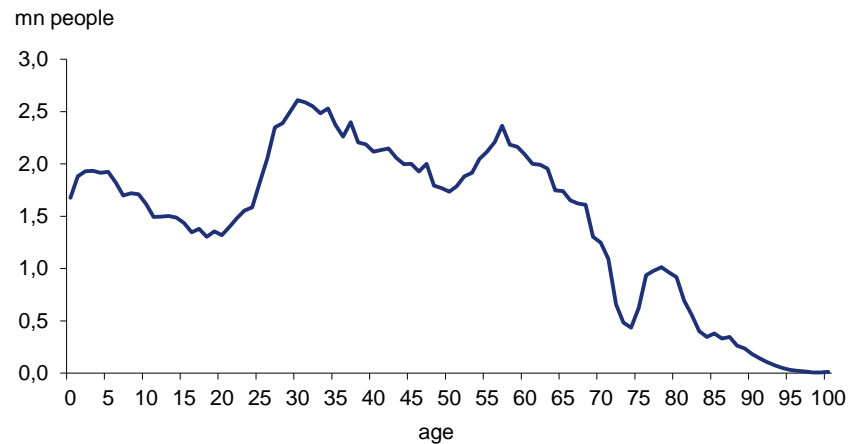


Signs of labor market constraints

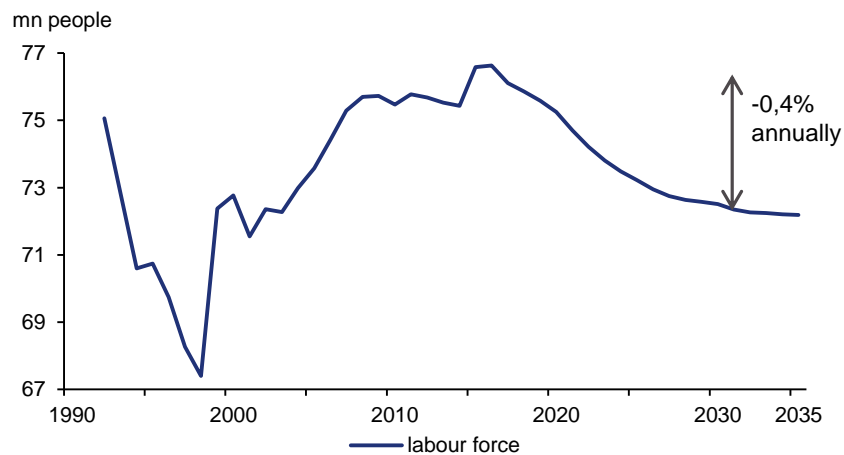
Low unemployment is partly caused by structural factors



Population age structure



Labor force decline is set to weigh on growth





Key measures to boost economic growth

- Stable environment for economic development
 - Maintaining price stability
 - New fiscal rules
 - MinFin's measures to absorb oil price fluctuations
 - Improved regulation of non-tax payments
 - Predictable and stable tariffs
 - Streamlining control and supervision
 - Increasing efficiency of bankruptcy procedures
- Measures to support investment:
 - “Program 6.5” to increase affordability of credit for SMEs
 - “Factory” of project financing
 - PPP for infrastructure financing
- “Digital economy” program
- Priority projects of the government
- Sectoral policy measures (industry, agriculture, healthcare, etc.)