



Ministry of Economy
Russian Federation

Russian Economy.

New forecast

April 2017



- Inflation targeting + flexible exchange rate regime
- Fiscal policy (sustainability under conservative assumptions)
- New rule for macroeconomic stability



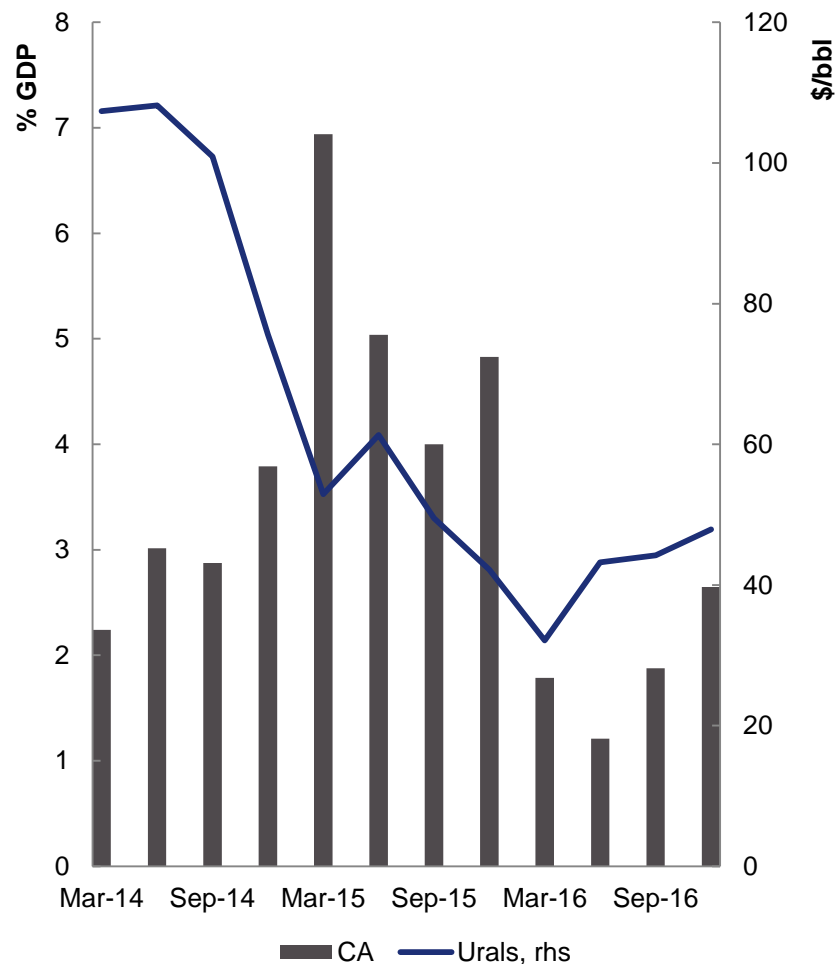
Shock for
commodity
countries



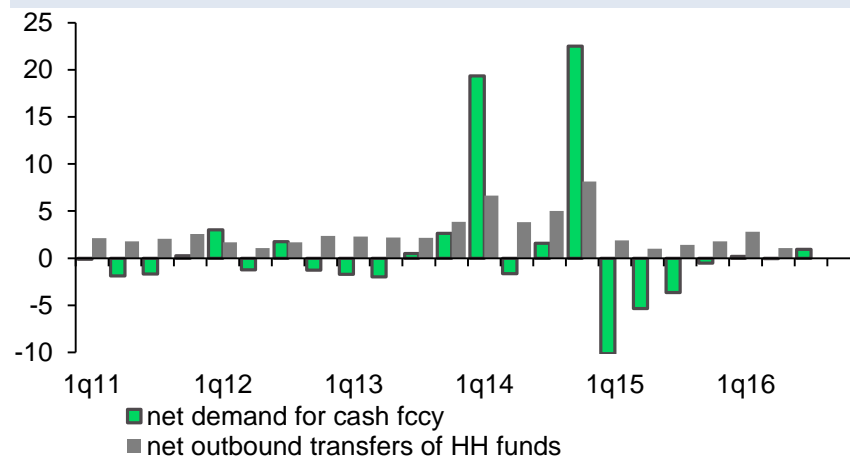


External adjustment

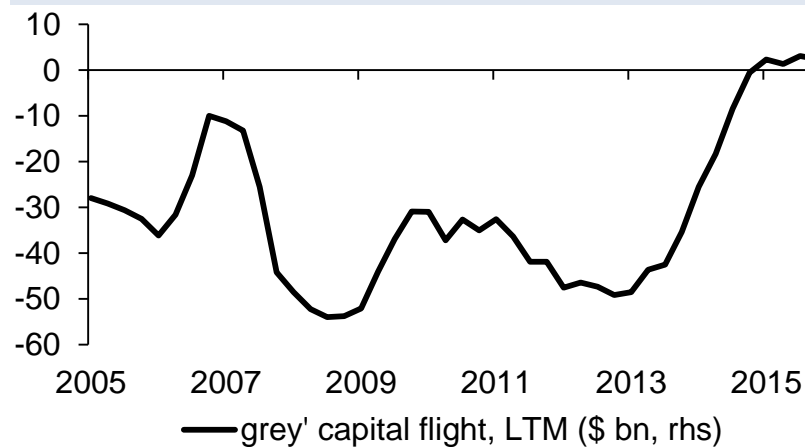
Flexibility in CA adjustment



Confidence restored



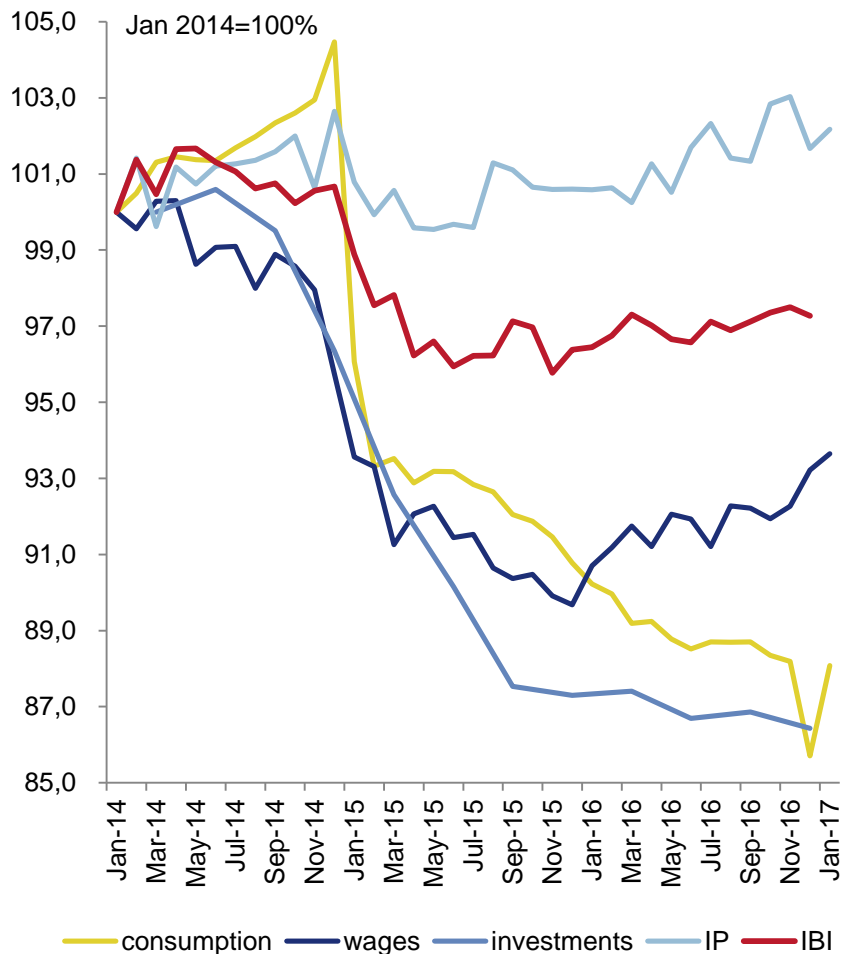
Moderation of grey capital flight



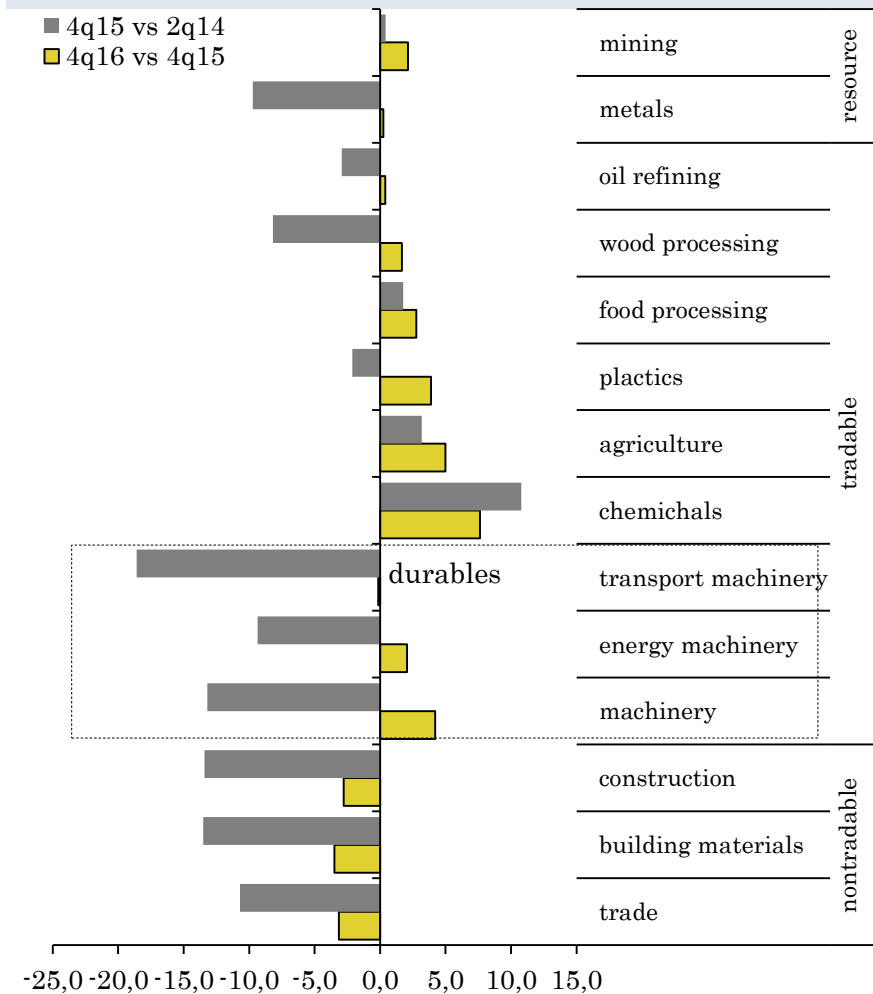


Structural adjustment

Transformation loss in output absorbed



Industrial composition adjustment

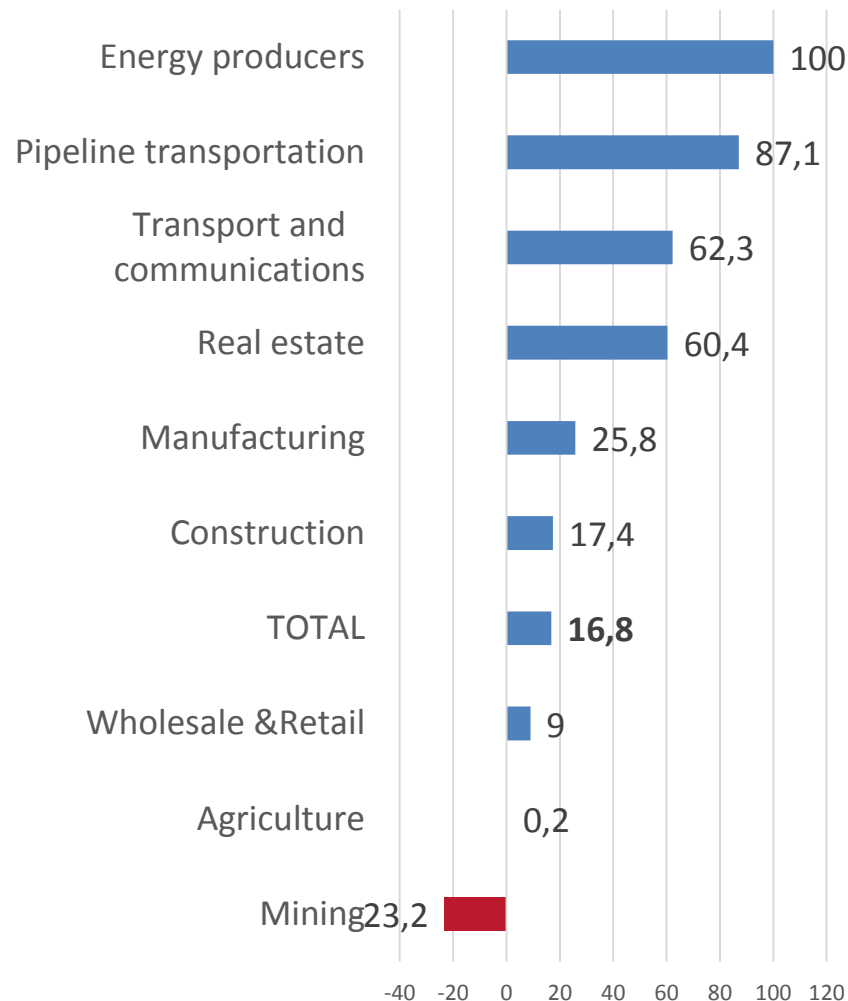




P&L by sectors

	P&L, RUB bln.	% y/y
Energy producers	851,5	100
Pipeline transportation	348,1	87,1
Transport	1238,4	62,3
Real Estate	1343,8	60,4
Manufacturing (D)	3619,5	25,8
Construction (F)	245	17,4
TOTAL	13195,4	16,8
Retail(G)	2555,3	9
Agriculture(A)	316	0,2
Mining(C)	2406,3	-23,2

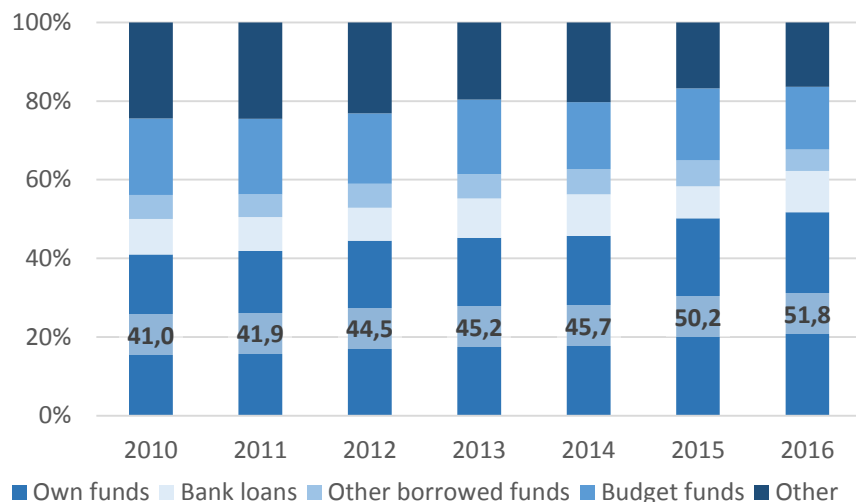
P&L by sectors in 2016 r., % y/y



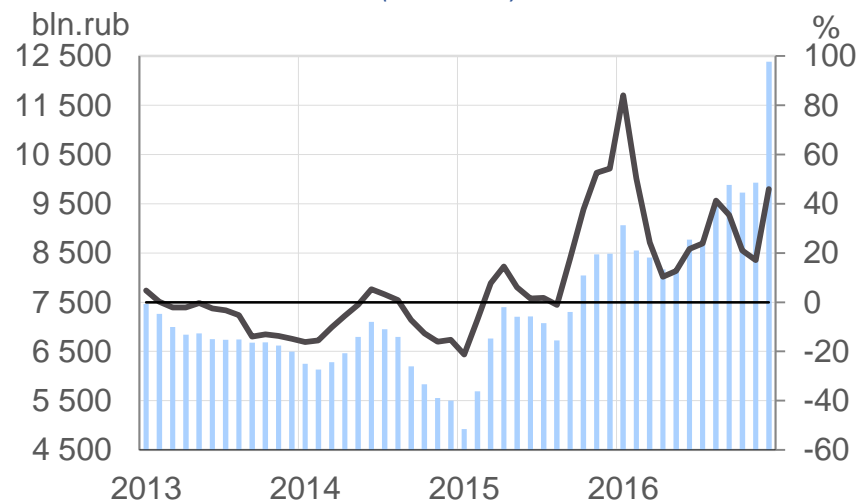


Own funds as the main source of investment funding

Fixed investments by source of funding
medium and large enterprises



Consolidated financial performance
(cumm 12m)

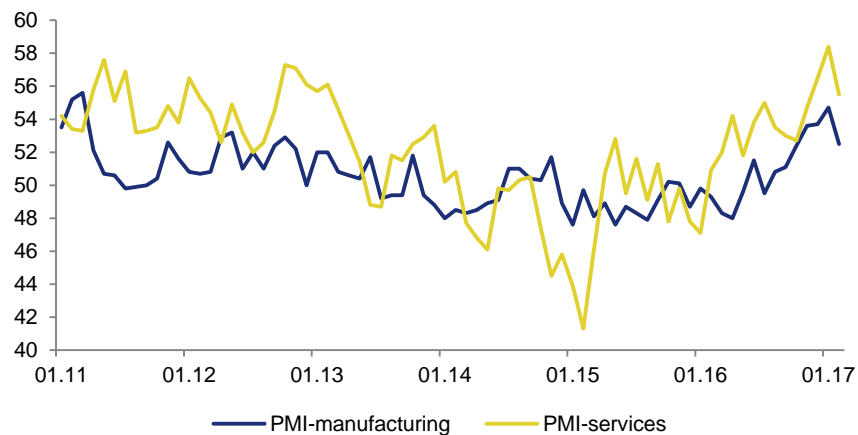


- The proportion of own funds in fixed investment has been increasing steadily since 2010, reaching 51.8% in 2016.
- Medium and large enterprises faced positive trend in consolidated financial performance. The second year in a row an increase of one and a half times is registered, creating the source of investment funding.

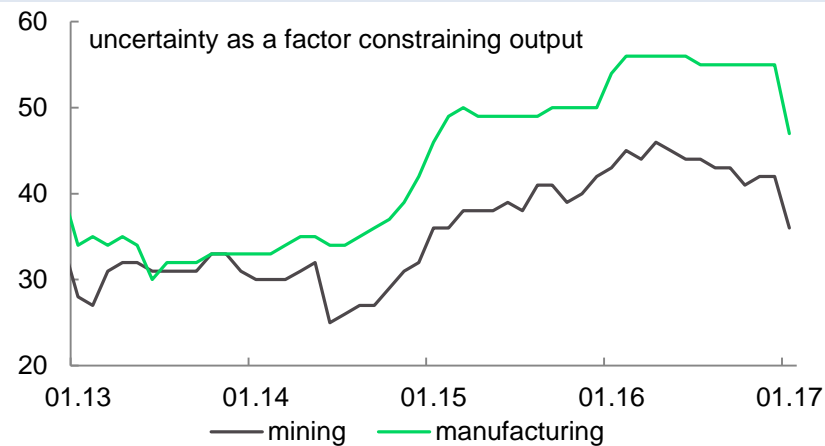


Signs of recovery at the beginning of 2017

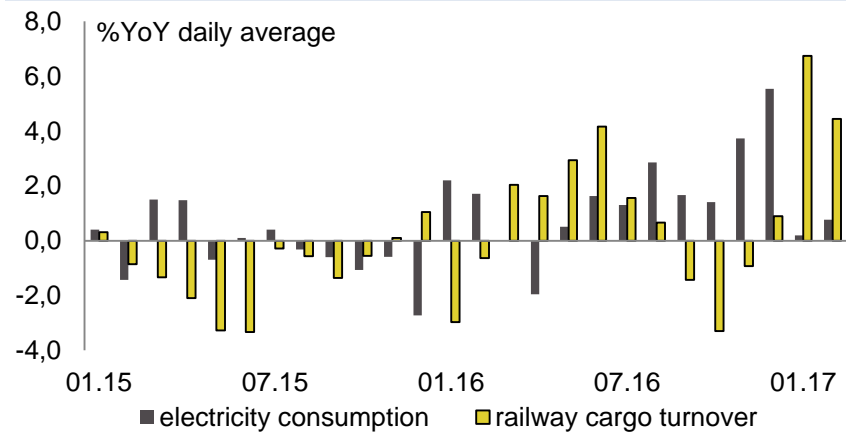
PMI's



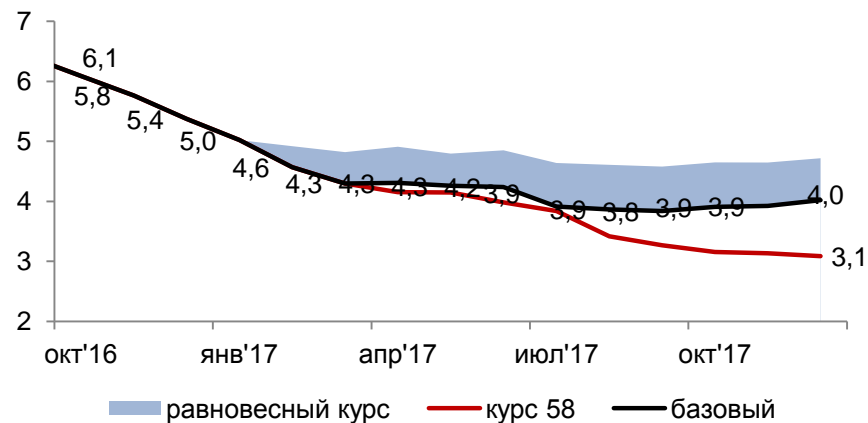
Business confidence indices



Leading output indicators



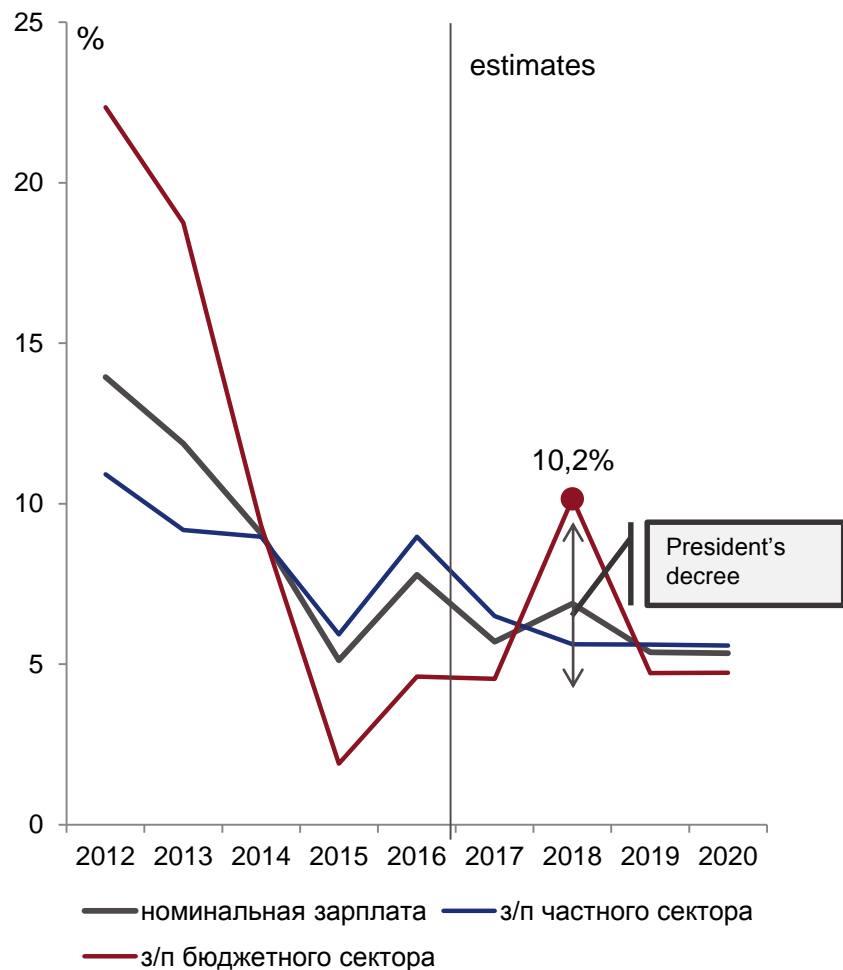
Inflation



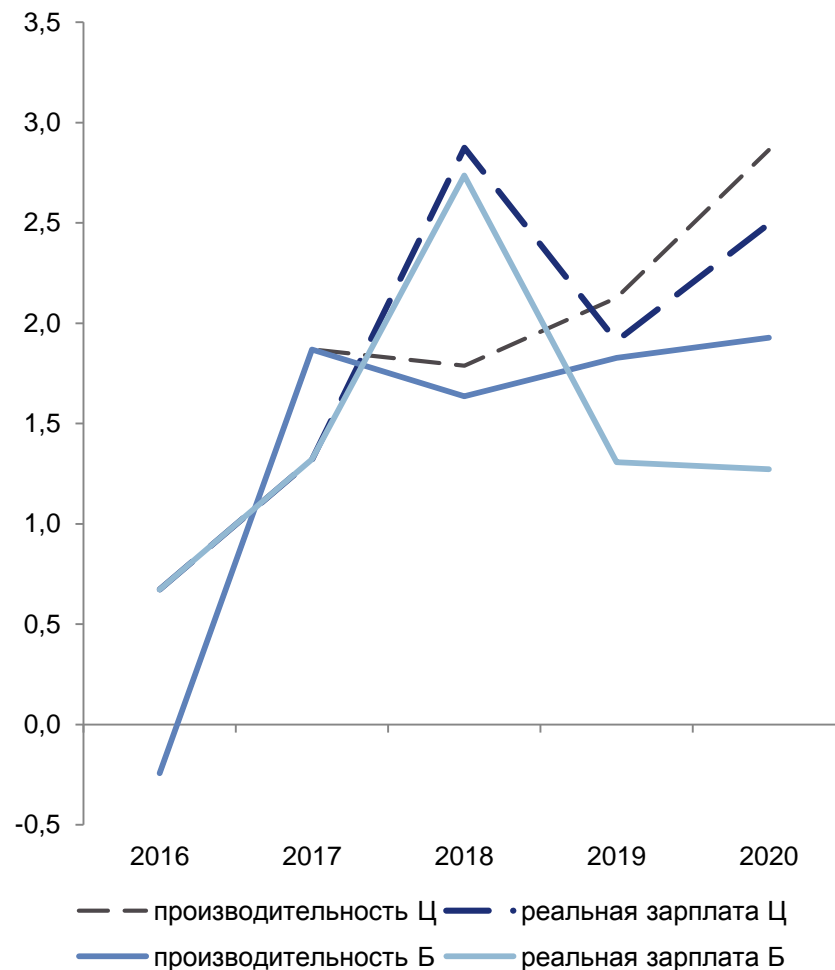


Social: moderate growth in wellbeing

Nominal wages



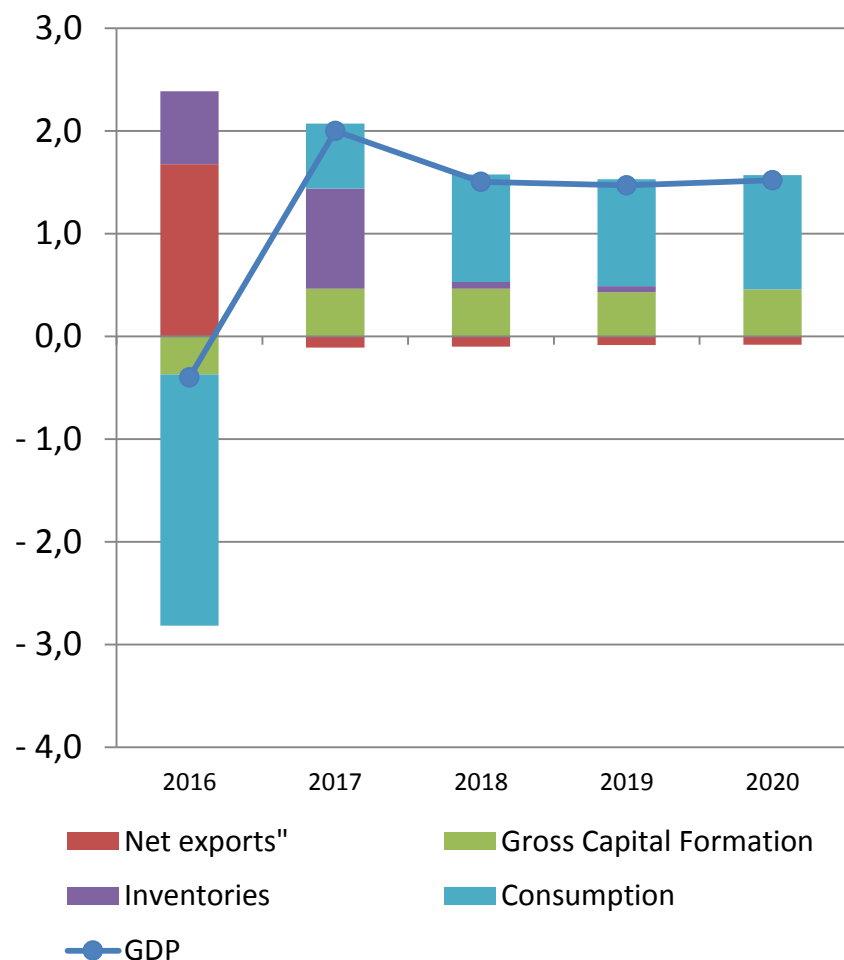
Wages/productivity ratio



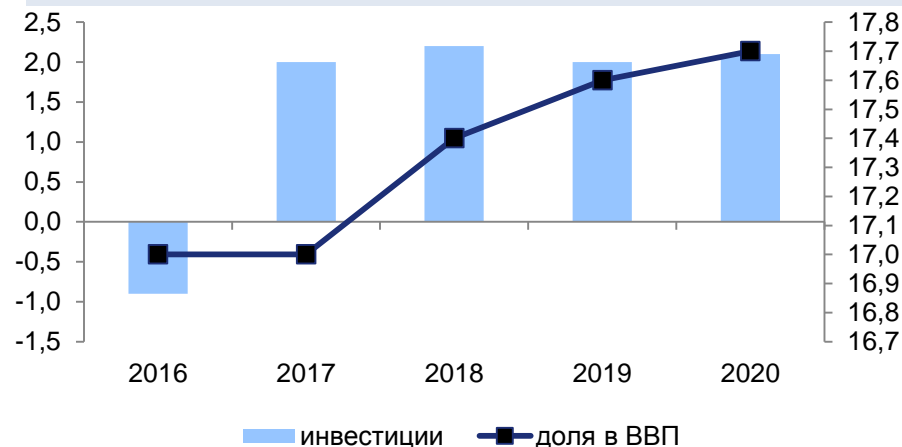


GDP growth – base variant

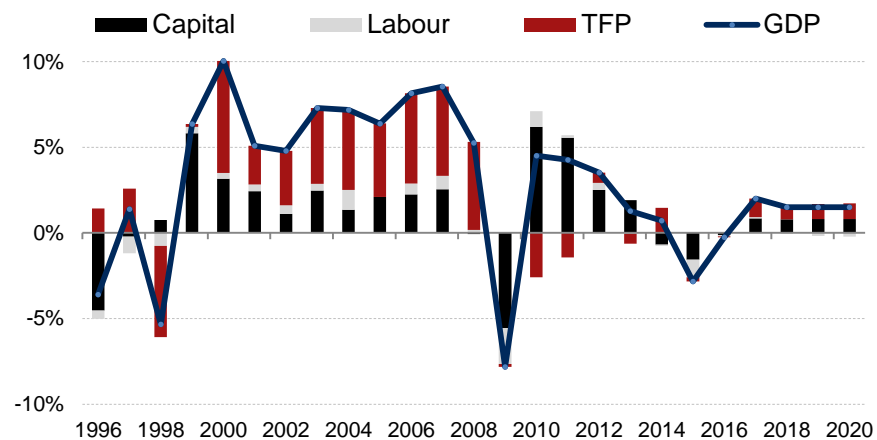
GDP growth contributors



Investments

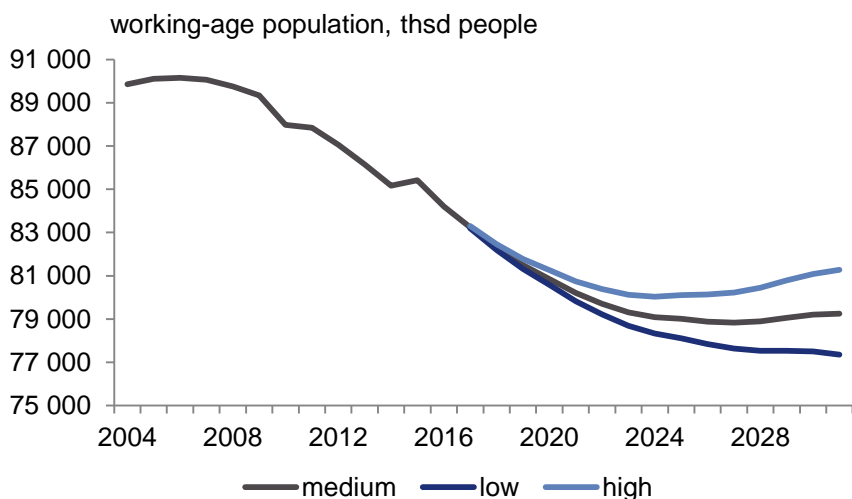
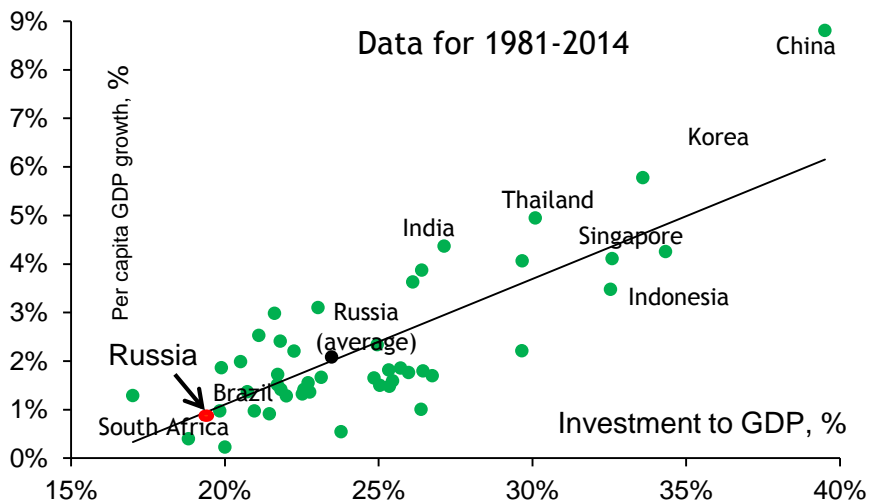


Factors





What is Russia's potential growth?



Measures to boost growth

- Stable environment
- Effective employment
- Economy transformation
- “Smart” economy
- Transparency
- Effective tax system
- New educational system
- New economic geographics



Macroeconomic forecast

	2016	2017	2018	2019	2020
URALS \$/bbl	41,7	45,6	40,8	41,6	42,4
CPI (year end)	5,4	3,8	4,0	4,0	4,0
CPI (year average)	7,1	4,0	4,0	4,0	4,0
USD/RUB (year end)	62,5	68,8	70,8	71,6	73,8
USD/RUB (year average)	66,9	64,4	69,8	71,2	72,7
GDP growth,% y/y	-0,2	2,0	1,5	1,5	1,5
Industrial Production, %	1,3	2,0	2,1	2,1	2,0
Fixed Investments,%	-0,9	2,0	2,2	2,0	2,1
Fixed Investments to GDP,%	17,0	17,0	17,4	17,6	17,7
Retail sales,%	-5,2	1,9	2,6	2,5	2,4
Real disposable income, %	-5,9	1,0	1,5	1,2	1,1
Real wages,%	0,7	1,3	2,7	1,3	1,3
Exports, % y/y	3,2	2,3	3,2	2,0	2,4
Imports, % y/y	0,9	2,9	5,1	3,3	3,4
Current Account, \$ bln.	25	31	10	6	6
Capital outflow, \$ bln.	-20	-16	-10	-6	-6
Unemployment, %	5,8	5,5	5,3	5,2	5,2