

Russia Macro Report

**Macroeconomic data indicators, analysis,
insights, estimates and forecasts**

Table of Contents

PART 1 Macro Report.....	5
Executive summary.....	6
Introduction.....	7
Latest preliminary Q4 snapshot (January 2025).....	8
2025 Forecast.....	9
Consensus Scenarios.....	9
SOVECOMO forecast.....	9
Overview.....	10
Table 1 - Core Macro Indicators.....	11
(annual percentage changes, revisions in percentage points).....	11
Real Economy.....	12
Trends.....	12
Table 2 - GDP growth contribution.....	12
Composition of GDP.....	13
Table 3 - Composition of GDP sectors by NACE classification.....	13
Household Consumption.....	14
Table 4 - Household income, disposable income and savings (trn rubles).....	14
Table 5 - Real GDP, trade and labour market projections.....	15
Government expenditures.....	16
Investments.....	17
Table 6 - Machine tools (and industrial robots).....	18
Machine tools (in thousands).....	18
Machine tools production (in thousands).....	18
Industrial robots installed (in thousands).....	18
Foreign trade.....	18
Table 7 - Trade indicators.....	19
Labour market and productivity.....	19
Table 8 Labor market indicators.....	20
Table 9 – Productivity Industrial automation.....	21
Machine tools (in thousands).....	21
Industrial robots installed (in thousands).....	21
Prices, Costs and Productivity.....	22
Table 10 – Prices and costs.....	22
Price and cost developments.....	22
Prices.....	22
Costs.....	23
Table 11 - Deflators.....	23
Fiscal Policy.....	25
Fiscal stance.....	25
Table 12 - Fiscal indicators.....	25
Fiscal outlook.....	25
Budget revenue Sources.....	26
Table 13 – Consolidated budget revenue sources.....	26
Fiscal deficit/balance and public debt.....	27
Table 14 - Consolidated Budget (Federal + regional) (trn rubles).....	27
Table 15 - Deficit financing.....	27
Long-term sustainability of fiscal policies.....	28
Monetary Policy.....	29
Inflation trends and drivers.....	29

Table 16 – Core Inflation indicators.....	29
Inflation components.....	29
CB policies and interest rates impacts.....	29
Table 17 - Monetary indicators.....	29
Exchange rate.....	30
Table 18 - Exchange rate.....	30
Forecast.....	30
Foreign Trade.....	32
International Environment.....	32
Table 19 - The international environment.....	32
Foreign Trade Assumptions.....	33
Trade overview.....	33
Table 20 – Russia trade assumption.....	33
Trade projections.....	34
Table 21 - Trade projections (in bn \$).....	34
Trade performance.....	35
Table 22 - Trade indicators.....	35
FOREX reserves and capital flows.....	35
Table 23 - Forex Reserves.....	35
Table 24 - Capital Flows.....	36
External Factors (sanctions).....	37
Risks and Scenarios.....	38
Oil/commodities price assumptions.....	38
Ruble monetary assumptions: Inflation, interest and exchange rate.....	38
GDP and budget assumptions.....	38
Export & trade, market assumptions.....	39
Comparisons with other predictions.....	39
PART 2 The Russian Economy Primer.....	40
The Russian Economy.....	41
Analysis Caveats.....	41
Economy Overview.....	41
Russia’s GDP Structure.....	42
The Russian Budget.....	42
Financial Fortress Paradox.....	43
Main economic development framework.....	44
National projects.....	44
Other economic development programmes.....	44
Economic development funding.....	44
Economic Policies tools.....	45
Economic sub-sectors’ growth drivers.....	46
Overview.....	46
Fossils (oil, gas and coal).....	46
MIC – Military goods production.....	47
Mining, metallurgy and metals.....	47
Chemical.....	48
Transport (automotive, trucks, vehicles and railways).....	48
Civil aviation.....	49
Telco.....	50
Light industries and consumer goods.....	50
Nuclear industry.....	51
Micro-electronics and chips.....	51

Banking and financial sector.....	52
IT industry.....	52
Agriculture.....	53
Pharma and medical equipment.....	53
Tourism.....	54
Shipbuilding.....	54
Construction.....	55
Strategic factors and insights.....	56
GDP of Russian-controlled territories (non-UN recognized).....	56
Barter trade.....	56
Underestimation of GDP, budgets and trade.....	56
Little corporate FDI but ODI instead.....	57
EAEU.....	57
BRICS.....	57
Risks.....	58
Outcome of the Ukraine conflict.....	58
Sanctions.....	58
Monetary - High Interest rates.....	58
Monetary - Exchange rate.....	59
Monetary - Inflation.....	59
Higher taxation in 2025.....	60
Labour scarcity.....	60
Lack of technology imports, spare parts and maintenance.....	61
Programs' and projects' delays.....	61
Long term structural issues of the economy.....	62
Investment opportunities and further analysis.....	63
Investment opportunities.....	63
Further analysis.....	63
Conclusions.....	64
Methodology, Statistics & Notes.....	65
Sovereign Economic Model.....	65
Statistics sources.....	65
Other Sources.....	65
Other notes.....	65