Russian economy: a short view
WHO WE ARE
“A forum for policy expertise and exchange, funded by entrepreneurs, companies & citizens, who care about long-term values and value creation”:

value creation by companies
inclusive society – committed citizenry

VISION
“Think-tank for inclusive future prosperity.”

MISSION
“quality independent expertise-based recommendations, strategic vision, LT perspective, concrete solutions, open debate, and collaboration.”
LT = now + 10/20 y
Russia = more resilient to shocks (oil & sanctions) than expected

Terms-of-trade, Real Exchange Rate and GDP
(Indices, last pre-crisis year = 100)

Source: IMF Country report
Decent unemployment but economy is suffering from demography

Source: IMF Country report
Gross government debt is expected to remain low, due to the use of the RF to partially finance deficits in 2015-17.

... widening the deficit at a time of an elevated non-oil deficit.

Source: IMF Country report
Oil prices can support the ruble (allowing CB to cut rates)

Source: IMF Country report
Bank Credit shows recovery

Source: IMF Country report
Exports composition

Source: IMF Country report
Russia’s exports partners are growing faster

Source: IMF Country report
Ease of doing business (rank)

Source: Doing Business database.
Some global risks
The big rise is in the “managed float” category

Distribution of Exchange Rate Regimes in Emerging Markets, 1980-2011 (percent of total)

Atish Ghosh, Jonathan Ostry & Mahvash Qureshi, 2013,
Low rates have inflated equity valuations

Equity valuations are increasingly supported by low yields … … as earnings weaken … … and equity risks premiums rise.

Sources: Deutsche Bundesbank; European Central Bank; Haver Analytics; Thomson Reuters I/B/E/S; and IMF staff calculations.
Note: Based on a standard three-stage dividend discount model.
And monetary policy has pushed credit supply over real growth

2. Credit Gap: Deviation of Credit-to-GDP Ratio from Trend, as of End-2014 (Percent)

Source: BIS
Measuring GDP

A world of difference
GDP per person at PPP* and share of global population, 2014 forecast

Sources: International Comparison Programme; IMF; The Economist

*Purchasing-power parity

# World bank expectations:

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<td>2.4</td>
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<td>1.9</td>
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<td>4.1</td>
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<td>6.3</td>
<td>6.2</td>
<td>6.1</td>
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<td>-0.2</td>
<td>1.7</td>
<td>1.7</td>
<td>1.8</td>
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<tr>
<td>Crude oil (Brent, WTI and Dubai average, US$/bbl)</td>
<td>96.2</td>
<td>50.8</td>
<td>42.8</td>
<td>53.0</td>
<td>56.0</td>
<td>59.0</td>
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<tr>
<td>Crude oil (Urals, US$/bbl)²²</td>
<td>97.6</td>
<td>51.2</td>
<td>41.7</td>
<td>51.6</td>
<td>54.6</td>
<td>57.5</td>
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*Source: World Bank staff projections.*
Vragen?