



The Russian economy inches forward: Will that suffice to turn the tide?

The World Bank's Lead Economist for the Russian Federation, Apurva Sanghi, will present the main findings of the Russia Economic Report (RER). This biannual World Bank report synthesises recent trends in key economic indicators, presents the World Bank's economic outlook for Russia for 2016-18, and analyses strategic policy issues.

Amidst external headwinds, the recession continues in Russia, although the pace of GDP decline has slowed down. Russia continued its adjustment to lower oil prices and the environment of economic sanctions imposed in July 2014. Over the last two years, the government's policy response package of a flexible exchange rate policy, expenditure cuts in real terms and bank recapitalisation – along with tapping the Reserve Fund -- has helped facilitate this adjustment. In 2016, the economy is projected to contract by 0.6%, and grow by 1.5% in 2017 and 1.7% in 2018, as hydrocarbon prices are predicted to continue their recovery and positively affect domestic demand.

Yet Russia still faces serious challenges as there has been a significant 8% increase in the share of the vulnerable population with per capita incomes below \$10/day, undoing the country's recent gains in sharing prosperity more broadly among its citizens.

“Given tightening budget constraints, it becomes important to ensure that gains in reducing poverty and increasing prosperity are not lost. The good news is that Russia’s fiscal policy is redistributive in its nature.”

Speaker: **Apurva Sanghi**, World Bank Lead Economist for the Russian Federation and the main author of the report.

Chair: Hrant Kostanyan

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