

# COMMENTARY ON THE BANK OF RUSSIA'S MEDIUM-TERM FORECAST

The document presents the commentary on the medium-term macroeconomic forecast published following the key rate meeting of the Bank of Russia Board of Directors held on 16 February 2024.

The data cut-off date for the forecast calculations is 15 February 2024.

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# THE BANK OF RUSSIA'S MEDIUM-TERM FORECAST FOLLOWING THE BOARD OF DIRECTORS' KEY RATE MEETING ON 16 FEBRUARY 2024

**KEY FORECAST PARAMETERS OF THE BANK OF RUSSIA'S BASELINE SCENARIO**  
(growth, % YoY, unless indicated otherwise)

**Table 1**

	2023 (actual / estimate)	2024	2025	2026
Inflation, % in December YoY	7.4	4.0–4.5	4.0	4.0
Inflation, yearly average, % YoY	5.9	6.0–6.5	4.0	4.0
Key rate, yearly <u>average</u> , % per annum	9.9	13.5–15.5 <sup>1</sup>	8.0–10.0	6.0–7.0
Gross domestic product	3.6	1.0–2.0	1.0–2.0	1.5–2.5
– % change in Q4 YoY	4.8	0.0–1.0	1.5–2.5	1.5–2.5
Final consumption expenditure	5.4	0.5–1.5	0.5–1.5	1.5–2.5
– households	6.1	(-1.0)–0.0	0.5–1.5	1.5–2.5
Gross capital formation	19.8	0.0–2.0	0.0–2.0	1.0–3.0
– gross fixed capital formation	10.5	0.0–2.0	0.0–2.0	1.0–3.0
Exports	– <sup>2</sup>	(-1.0)–1.0	1.5–3.5	1.0–3.0
Imports	– <sup>2</sup>	(-4.0)–(-2.0)	(-1.5)–0.5	1.0–3.0
Money supply (national definition)	19.4	9–14	6–11	6–11
The banking system's claims on the economy in rubles and foreign currency <sup>3</sup>	22.9	6–11	8–13	8–13
– on organisations	22.8	6–11	8–13	8–13
– on households, including housing mortgage loans	23.0	5–10	8–13	8–13
	30.1	7–12	10–15	10–15

<sup>1</sup> Given that the average key rate from 1 January through 18 February 2024 was 16.0%, the average key rate from 19 October through 31 December 2024 is forecast in the range of 13.2–15.5%. Additional information on the format of the key rate forecast is available in the [methodological note](#).

<sup>2</sup> Rosstat has not yet released 2023 data on GDP by expenditure in terms of exports and imports.

<sup>3</sup> The banking system's claims on the economy mean all claims of the banking system on non-financial and financial institutions and households in Russian rubles, foreign currencies, and precious metals, which include loans issued (including overdue loans), overdue interest on loans, credit institutions' investment in debt and equity securities and promissory notes, as well as other forms of equity interest in non-financial and financial institutions, and other receivables under settlement operations with non-financial and financial institutions and households. The growth rates of claims are given with the exclusion of foreign currency revaluation. For the purpose of the adjustment for foreign currency revaluation, the growth of claims in foreign currencies and precious metals is recalculated into rubles at the period average RUB/USD exchange rate. For housing mortgage loans – net of claims on such loans acquired by banks.  
Source: Bank of Russia.

**RUSSIA'S BALANCE OF PAYMENTS INDICATORS UNDER THE BASELINE SCENARIO<sup>1</sup>**  
(\$ billion, unless indicated otherwise)

**Table 2**

	2023 (actual / estimate)	2024	2025	2026
<b>Current account</b>	<b>51</b>	<b>42</b>	<b>36</b>	<b>33</b>
Balance of trade	120	115	113	112
Exports	424	414	416	425
Imports	304	299	303	313
Balance of services	-35	-31	-32	-33
Exports	41	43	44	46
Imports	75	75	76	79
Balance of primary and secondary income	-35	-42	-46	-47
<b>Current and capital account balance</b>	<b>50</b>	<b>42</b>	<b>36</b>	<b>33</b>
<b>Financial account balance, net of reserve assets</b>	<b>56</b>	<b>60</b>	<b>46</b>	<b>30</b>
Net incurrence of liabilities	-6	12	15	15
Net acquisition of financial assets, net of reserve assets	50	72	61	45
Net errors and omissions	-4	0	0	0
<b>Change in reserve assets</b>	<b>-10</b>	<b>-18</b>	<b>-10</b>	<b>3</b>
<b>Brent price, yearly average, \$ per barrel</b>	<b>82</b>	<b>80</b>	<b>75</b>	<b>70</b>

<sup>1</sup> On the basis of the methodology set out in the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6). In the financial account, '+' denotes net lending and '-' denotes net borrowing. Final values may differ from the total of the respective values due to rounding.

Source: Bank of Russia.

## MAIN CHANGES IN THE FORECAST

Relative to the forecast presented following the key rate meeting on 26 October 2023, the forecast was changed as follows:

- **Key rate.** The forecast of the average key rate for 2024–2025 was raised by 1 pp to 13.5–15.5% per annum and 8.0–10.0% per annum, respectively. The revision was made because of more persistent inflationary pressure in the economy, due to which the Bank of Russia might need to maintain tight monetary conditions for a longer period than expected before.
- **GDP.** The forecast of real GDP growth for 2024 was revised upwards by 0.5 pp to 1.0–2.0%. This is largely because the levels of GDP and domestic demand components had increased more significantly by the end of 2023 than earlier predicted and the estimated path of potential GDP was adjusted considering the additional statistics on GDP for 2021–2023.
  - **Household final consumption expenditure.** The growth forecast for 2024 was raised by 1 pp to (-1.0)–0.0%. After its considerable rise in 2023, consumption will stay at the same level, while households will save rising incomes. Amid tight monetary policy, the saving ratio will be high.
  - **Gross capital formation.** The forecast was notably revised, specifically from (-5)–(-3)% to 0.0–2.0%, following the changes in the assumption about the dynamics of inventories as they are expected to stay the same as at the end of 2023. The forecast growth rate of gross fixed capital formation (GFCF) remained unchanged at 0.0–2.0%.
  - **Exports.** The growth rate of export quantities is forecast to be close to zero rather than moderate in 2024, namely (-1.0)–1.0%. The forecast was revised because actual exports in 2023 Q4 turned out to be below expectations. Accordingly, the value of exports was reduced over the entire forecast horizon.
- **Balance of payments.** The lower forecast of exports combined with a slight rise in the value of imports causes a significant decrease in the current account balance over the entire forecast horizon. Simultaneously, the updated forecast assumes a reduction in the reserve assets over 2024–2025 due to the complete mirroring of the Government's operations with the resources of the National Wealth Fund (NWF).

## KEY ASSUMPTIONS

The Bank of Russia's forecast is based on the assumptions about medium- and long-term trends in the Russian and world economies that have a significant effect on the conditions of monetary policy implementation.

- **World economy.** In 2024–2026, the world economy will be expanding by approximately 3% a year, which is slightly below the historical averages.<sup>1</sup> The fragmentation of the world economy will continue. Inflationary pressure will be gradually weakening further worldwide as central banks proceed policy rate cuts to neutral levels cautiously and gradually.

<sup>1</sup> The yearly average over 2000–2019 was 3.8% according to the IMF's calculations.

- **Export prices.** The deceleration of the global economic growth will result in lower prices in global commodity markets. A slower rise in the global demand for oil amid a steady increase in non-OPEC+ oil production will entail a gradual reduction in oil prices over the medium-term horizon. By the end of the forecast horizon, the Brent price will decline to \$70 per barrel.

The export price for Russian crude will follow the Brent price trend. Its specific levels will depend on the weighted average price for Russian crude grades and the size of the discount. Prices for Russia's non-commodity exports will be rising moderately over the medium-term horizon in line with global inflation.

- **Geopolitical conditions.** The calculations for the baseline scenario rely on the assumption that the geopolitical environment will remain unchanged for the Russian economy until the end of the forecast horizon. All the enacted external restrictions on Russian exports, imports, and investment and technology cooperation will stay in effect over the medium-term horizon. The possibility of introduction of new sanctions or tightening of the existing ones is considered as a risk to the baseline scenario.
- **Potential output.** The external trade and financial restrictions, as well the demographic trends might considerably constrain the expansion of the Russian economy's potential. Nevertheless, the baseline scenario assumes that the domestic economy will continue to adjust to the sanction pressure over the medium-term horizon. This will encourage steady growth of investment in the country's economy, implementation of new production methods, development of new logistics routes, establishment of new business relations, and expansion of sales markets. An increase in the technology level of the Russian economy will require higher professional qualifications and mobility of workers.
- **Fiscal policy.** The fiscal assumptions in the baseline scenario rely on the Guidelines for Fiscal, Tax, and Customs and Tariff Policy for 2024 and the 2025–2026 Planning Period, taking into account the parameters of the Bank of Russia's macroeconomic forecast. The Government is expected to progressively normalise fiscal policy in 2024–2026 and return to expenditure formation in accordance with the long-term parameters of the fiscal rule<sup>2</sup> from 2025.
- **Neutral interest rate.** The longer-run real neutral rate for the Russian economy is estimated at 2.0–3.0% per annum, which corresponds to the nominal neutral rate of 6.0–7.0% per annum with the inflation target of close to 4%. This level of the neutral rate is set considering several main factors, in particular the estimates of potential growth rates of Russia's economy, changes in external conditions and sanctions, including limited participation of the domestic economy in global capital markets, and the country risk premium, as well as the estimate of the external neutral rate.

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<sup>2</sup> The fiscal rule implies that the maximum amount of federal budget expenditures is determined taking into account basic oil and gas revenues calculated with equilibrium oil and gas prices equalling \$60 per barrel and \$250 per 1,000 cubic metres, respectively.

## EXTERNAL ENVIRONMENT

### WORLD ECONOMY

The forecast of global GDP growth for 2024 remained unchanged. However, the US economy is expected to expand faster this year than assumed before, whereas the growth rates for the euro area were revised downwards. The US economy is supported by strong consumer demand. Overall, the data released suggest that the US economy is highly resilient to monetary policy tightening, which reinforces the expectations of soft landing. The euro area economy is still adversely affected by the decline in exports and higher energy prices, due to which it will need more time to return to a stable growth path. The GDP forecasts for the USA and the euro area were raised for 2025–2026, considering faster monetary policy easing in these countries amid weaker inflationary pressure.

The growth rate of China’s GDP in 2024 and further on will be slightly below 5%. As before, the risk factors are the situation in the real estate market and negative effects of fragmentation processes in the world economy. Steadily low inflation in China will help contain inflationary pressure in the world economy.

THE MAIN PARAMETERS OF EXTERNAL CONDITIONS OF THE BANK OF RUSSIA’S BASELINE FORECAST

Table 3

	2019	2020	2021	2022	2023	2024 (forecast)	2025 (forecast)	2026 (forecast)
GDP, world, % YoY	2.3	-2.8	6.1	3.4	3.2	2.8	3.1	3.0
GDP, USA, % YoY	2.5	-2.2	5.8	1.9	2.5	1.9	2.1	2.1
GDP, euro area, % YoY	1.6	-6.2	5.3	3.4	0.5	0.4	1.4	1.7
GDP, China, % YoY	6.0	1.7	8.6	3.2	5.2	4.7	4.9	4.7
Inflation, USA, <sup>1</sup> % YoY	1.5	1.6	5.2	4.9	3.0	2.5	2.2	2.1
Inflation, euro area, <sup>2</sup> % YoY	1.3	0.3	2.7	5.2	3.4	2.3	1.9	1.8
Inflation, China, <sup>3</sup> % YoY	1.4	0.4	1.0	0.5	0.9	0.9	1.0	1.3
US Fed rate, <sup>4</sup> %	1.8	0.1	0.1	1.7	5.3	4.4	3.5	3.3
ECB rate, <sup>5</sup> %	-0.5	-0.5	-0.5	0.1	4.0	3.2	2.1	2.0

<sup>1</sup> Core inflation (Core PCE) in the USA.

<sup>2</sup> Core inflation (Core HICP) in the euro area.

<sup>3</sup> Core inflation (Core CPI) in China.

<sup>4</sup> US Fed Funds Effective Rate, average for Q4 of the year.

<sup>5</sup> ECB rate (EONIA), average for Q4 of the year.

Sources: national statistical agencies, US Fed, ECB, IMF, Bank of Russia calculations.

### COMMODITY MARKETS

A surplus in the oil market will cause a gradual reduction in the Brent price to \$70 per barrel in 2026. Global gas prices dropped most notably over the past few months due to the relatively warm winter and large gas reserves in storage facilities. In the future, gas prices are expected to decrease further as liquefied natural gas capacities worldwide expand. Following gas price dynamics, coal prices will continue to decline as well.

Prices for other Russian exports in 2024 will stay close to the 2023 levels. This forecast assumes that the adjustment of prices after their surge in 2022 will be complete this year. Medium-term prices for Russia's non-commodity exports will depend on global inflation dynamics.

## INTERNAL CONDITIONS

### MONETARY POLICY

- **Key rate.** In its baseline scenario, the Bank of Russia forecasts that the average key rate for 2024 will range from 13.5% to 15.5% per annum. In 2025, the key rate will average 8.0–10.0% per annum and, in 2026, it will return to its neutral range of 6.0–7.0% per annum.

Compared to the previous forecast, the Bank of Russia revised the forecast ranges of the key rate for 2024–2025 upwards by 1 pp because the new data on economic activity suggest more persistent inflationary pressure in the economy. To bring inflation back to the target in 2024 and stabilise it close to 4% further on, it is necessary to maintain tight monetary conditions for a long period. The Bank of Russia's monetary policy is set to solidify disinflation processes unfolding in the national economy.

- **Banking sector liquidity and money market rates.** The banking sector is expected to switch from a surplus to a deficit of liquidity over the course of 2024. The structural liquidity deficit will range from ₹0.6 trillion to ₹1.4 trillion at the end of 2024.

Budget operations in 2024 are expected to ensure an inflow of liquidity into the banking sector. This will become possible as a result of, among other things, the use of the NWF's resources in addition to fiscal rule-based funding to partially cover this year's budget expenditures and the funds received in January that were not credited to banks in December 2023. This inflow through the budget channel will be offset by operations to be conducted by the Bank of Russia in the domestic foreign exchange market during 2024 that are associated with replenishing and using the NWF's resources, including taking into account all the operations with the NWF's resources performed in 2023. The amount of cash in circulation is forecast to increase by ₹1.2–1.6 trillion at the end of the year. Considering this growth, the proportion of cash in total money supply will contract by the end of 2024, as compared to the beginning of the year. This is because the demand for cash will generally normalise and deposit rates will remain attractive. The forecast of required reserves factors in their increase over the period under review through the overall expansion of money supply.

Since the banking sector is expected to switch from a structural surplus of liquidity to its deficit in 2024 H2, as forecast in the baseline scenario, short-term money market rates will rise slightly above the key rate. All else being equal, this will somewhat tighten monetary conditions.

### MONETARY INDICATORS

- **The banking system's claims on the economy.** The slowdown in lending growth that started in late 2023 will continue in 2024. In the first place, this will be associated with higher credit rates driven by the earlier tightening of monetary policy. Lending conditions will tighten further because of the constraining effect of the macroprudential regulation measures in individual high-risk segments of retail lending and the cancellation of most regulatory easing measures for banks, including those

related to compliance with the liquidity coverage ratio. Moreover, the earlier toughening of the terms of government subsidised mortgage lending programmes is also expected to take effect. Households' propensity to save is assumed to stay high amid attractive deposit rates, which will reduce the demand for retail loans.

The demand for corporate loans, including for investment purposes, will be supported by the overall trend towards a higher share of investment in Russia's GDP. As a result, in 2024, the growth rates of banks' claims on organisations will surpass those on households. The overall annual growth of the banking system's claims on the economy will notably decelerate compared to 2023 and will range from 6% to 11%. In 2025–2026, the growth rate of claims on the economy will stabilise at 8–13% as price lending conditions ease and inflation and inflation expectations become steadier.

- **Money supply.** In 2024, the expansion of money supply in the national definition (M2) will slow down amid a decline in lending and a slower rise in net foreign assets due to a reduction in the current account surplus. Simultaneously, expansionary fiscal policy will cause an inflow of funds into the economy through the budget channel. As a result, money supply will increase by 9–14% this year. The contribution of budget operations to the growth of money supply will be gradually decreasing in 2025–2026, while claims on the economy will become the main driver of the expansion of money supply. The growth rates of M2 will stabilise at 6–11%.

## GDP

Overall, GDP increased by 3.6% in 2023, which is notably higher than forecast by the Bank of Russia in October. The expansion of economic activity was largely driven by domestic demand (in both the private and public sectors), including investment demand, whereas net exports were a significant negative contributor. In addition, domestic demand considerably exceeded the potential to ramp up the output of goods and services.

As assessed by the Bank of Russia, the growth of economic activity slowed down in 2023 Q4, including as a result of the accumulated effects of the earlier monetary policy tightening. However, the deviation of Russia's economy upwards from a balanced growth path was still substantial. The peak of this deviation was apparently recorded in the autumn months.

In the future, the economy will be gradually returning to a balanced growth path, which will become possible owing to monetary policy, among other factors. Thus, the economy will continue to expand in 2024, although at a more moderate pace, namely 1.0–2.0%. Besides, investment demand will be steadily rising, as before, which is associated with the structural shift in the Russian economy towards a higher share of investment.

In 2025–2026, as interest rates go down and the economy returns to a balanced growth path, the contribution of consumer demand to GDP growth will increase. According to the baseline scenario, the Russian economy will expand by 1.0–2.0% in 2025 and 1.5–2.5% in 2026.

- **Final consumption expenditure.** Over 2023, final consumption expenditure rose by 5.4%. Moreover, high growth rates of household expenditure even exceeded those of the public sector's demand. Such a fast increase in private consumption during the year was generally driven by rising incomes and the expansion of lending.

As assessed by the Bank of Russia, consumer activity continued to trend upwards in 2023 Q4, although more slowly than in the previous quarters. The growth of household consumption decelerated only



by the end of 2023. Households' propensity to save increased, which was manifested in decelerating retail lending and a stable inflow of households' funds into time deposits. Households' saving ratio notably increased in 2023 Q4.

Considering tight monetary conditions, individuals' propensity to save will remain high in 2024. By the end of the year, household consumption might decline slightly, whereas government consumption supported by budget expenditures will grow. As a result, total final consumption expenditure will edge up by 0.5–1.5%.

In the future, all final consumption components are expected to grow evenly by 0.5–1.5% in 2025 and 1.5–2.5% in 2026. Thus, final consumption will stabilise at a balanced growth path by 2026. This will be facilitated by, among other things, a gradual easing of monetary conditions following the return of the key rate to its neutral range.

- **Gross capital formation.** In 2023, gross fixed capital formation (GFCF) was growing amid the refocusing of the Russian economy on domestic demand. In addition to expanding private investment, the increase was driven also by investment from the NWF in infrastructure projects implemented in the Russian economy. Large investment projects, primarily those of state-owned companies, became an important positive contributor. GFCF was up by 10.5% over 2023, which is a record high since 2008. The contribution of the increase in inventories to GDP significantly exceeded the historical average as well.

In 2023 Q4, investment activity continued to expand, hitting record highs according to the monitoring of businesses. The tightening of monetary conditions affected the growth rates of private investment. However, government demand, specifically within government investment and infrastructure projects, supported GFCF.

Amid tightening monetary conditions, in 2024–2025, private investment will stay close to the record levels reached over 2022–2023. Nevertheless, as the positive contribution of government investment will remain significant, it will ensure an increase in gross capital formation and its components by 0.0–2.0%. In 2026, investment growth will speed up to 1.0–3.0%.

- **Exports.** In 2023, exports contracted because of subdued external demand amid the slowdown in global economic growth and the decisions to voluntarily reduce the export of certain goods. The redirection of exports to friendly countries has been progressing at a moderate pace because of the objective constraints, primarily those in the transportation and logistics infrastructure.

The voluntary oil exports cuts and the western sanctions on a number of Russian goods will exert downward pressure on export quantities in 2024. Further export dynamics are highly uncertain and will largely depend on the pace and scale of the recovery of non-oil and gas exports, including as a result of the diversification of supply destinations. According to the Bank of Russia's forecast, exports might grow faster in 2025–2026 as the country develops new logistics chains and expands trade relations.

- **Imports.** In 2023, high domestic demand was also driving the increase in imports. Furthermore, Russian businesses and consumers have been adapting to the changes and trade conditions and refocusing on imports from friendly states faster than expected. In 2023 Q4, the monetary policy tightening began to reduce the demand for imports from the elevated levels.

In 2024, imports are expected to contract further as domestic demand moderates. In addition, as prices for imports in ruble terms will stay at higher levels, companies and households will continue



to prioritise domestic goods over imported ones. By 2026, the growth rate of imports will stabilise at a long-term steady level corresponding to the new structure of the economy.

## BALANCE OF PAYMENTS

- **Exports.** The value of exports will decline in 2024 due to a certain reduction in oil and gas exports. Nevertheless, overall exports will expand in 2025–2026, driven by the recovery of other exports that will offset the contraction of oil and gas exports. Their decrease over the entire forecast horizon will be associated with dropping prices for energy commodities. The growth in the quantities of oil exports will be contained by Russia's decision to cut oil exports in 2024 Q1. The quantities of gas exports will be expanding in 2024–2026. However, the increase in the quantities of oil and gas exports will be insufficient to wipe out the effects of lower prices. After the stabilisation in 2024, the value of non-oil and gas exports will be rising in 2025–2026, driven by the prices and quantities. The growth rate of prices will correspond to global inflation rates. After the contraction in 2022–2023 amid the sanctions and counter-measures, the quantities are forecast to bounce back moderately, supported by the transformation of export logistics and rising external demand.
- **Imports.** The value of goods and services imports will be declining in 2024 because of the earlier weakening of the ruble from mid-2023 and tighter monetary conditions moderating domestic demand, including for imports. Nevertheless, imports are expected to recover gradually in 2025–2026. The expansion of imports will be driven by growing domestic demand, the diversification of trading partners, and the development of new logistics chains. However, over the entire forecast horizon, the imports-to-GDP ratio will remain below the level of 2021.
- **Current account.** In 2024, as a result of a more considerable contraction of exports compared to imports, the current account surplus will shrink to \$42 billion (from \$51 billion in 2023). In 2025 and 2026, the current account surplus will decline to \$36 billion and \$33 billion, respectively. As expected, this reduction will be because imports will be expanding faster than exports and the primary and secondary income balance will reverse to a deficit amid the improvement of Russian companies' state and an increase in the investment income payable to investors, including foreign ones.
- **Financial account.** According to the Bank of Russia's forecast, the financial account balance, net of reserves, will contract from \$60 billion in 2024 to \$46 billion in 2025 and \$30 billion in 2026. Over the forecast horizon, net lending to the rest of the world will be supported by an increase in foreign assets, just as in 2023. Along with this, the accumulation of foreign assets is to slow down due to a reduction in foreign trade earnings. Reserve assets are forecast to decrease in 2024–2025 due to the mirroring of all the operations of the NWF and will then grow slightly in 2026 considering regular fiscal rule-based operations.

## INFLATION

Inflation equalled 7.42% as of the end of 2023, which is close to the upper bound of the range forecast by the Bank of Russia in October. In 2023 H2, inflation stayed significantly above the target of 4%. The upward pressure on prices was provoked by high domestic demand surpassing the capacities to ramp up supply, the depreciation of the ruble (including due to the elevated demand for imports), as well as one-off factors affecting volatile components in the consumer basket.

Current price growth decelerated in December 2023 and January 2024, after peaking in autumn 2023. However, a judgement on the sustainable nature of emerging disinflation trends would be premature. Current seasonally adjusted inflation is still notably above 4%.

As forecast by the Bank of Russia, inflation will slow down in 2024 Q1 to 5.7% QoQ (seasonally adjusted annualised rate, SAAR) and annual inflation will equal 7.6% YoY. Given the monetary policy stance, annual inflation will decline to 4.0–4.5% in 2024 and stay close to 4% further on.

SHORT-TERM INFLATION AND GDP DYNAMICS

Table 4

	Actual / the Bank of Russia's estimate				The Bank of Russia's medium-term forecast				
	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2022 Q4	2023 Q4	2024 Q4	2025 Q4	2026 Q4
Inflation, % YoY <sup>1</sup>	3.2	6.0	7.4	7.6	11.9	7.4	4.0–4.5	4.0	4.0
Inflation, % QoQ, SAAR	5.2	12.1	8.7	5.7	2.6	8.7	–	–	–
GDP, % YoY <sup>1</sup>	4.9	5.5	4.8 <sup>2</sup>	4.3 <sup>2</sup>	-2.7	4.8 <sup>2</sup>	0.0–1.0	1.5–2.5	1.5–2.5

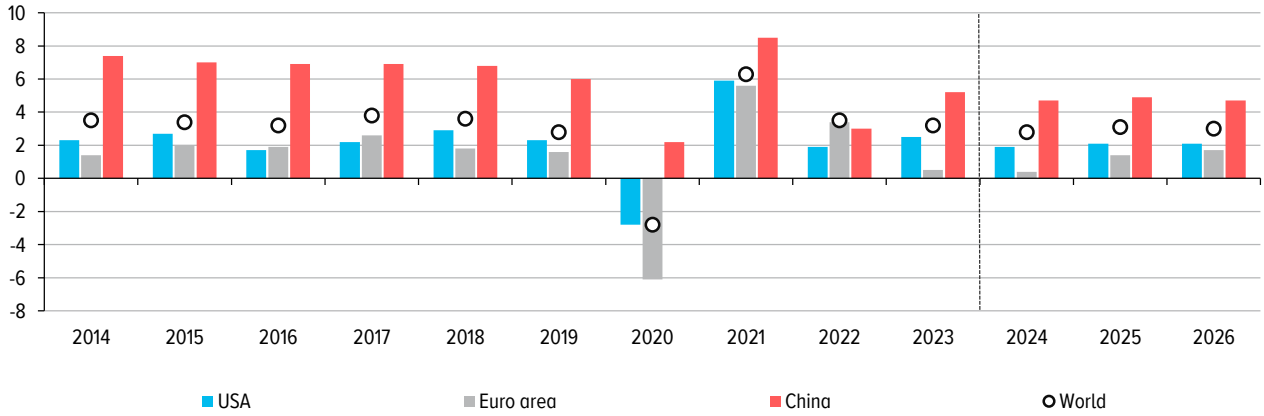
<sup>1</sup> The inflation rate and GDP for 2024 Q1 are given for reference and show the paths of inflation and GDP close to the middle of the respective forecast ranges for 2024. The figures for 2024 Q4–2026 are the forecast of the Bank of Russia.

<sup>2</sup> As estimated by the Bank of Russia taking into account the revised assessments of the quarterly dynamics of GDP over the year consistent with the annual data on GDP for 2021–2023. The estimate will be adjusted after Rosstat updates its quarterly statistics in April 2024.  
Source: Bank of Russia.

# ANNEX

GDP (MAJOR ECONOMIES), CHANGE (% YoY)

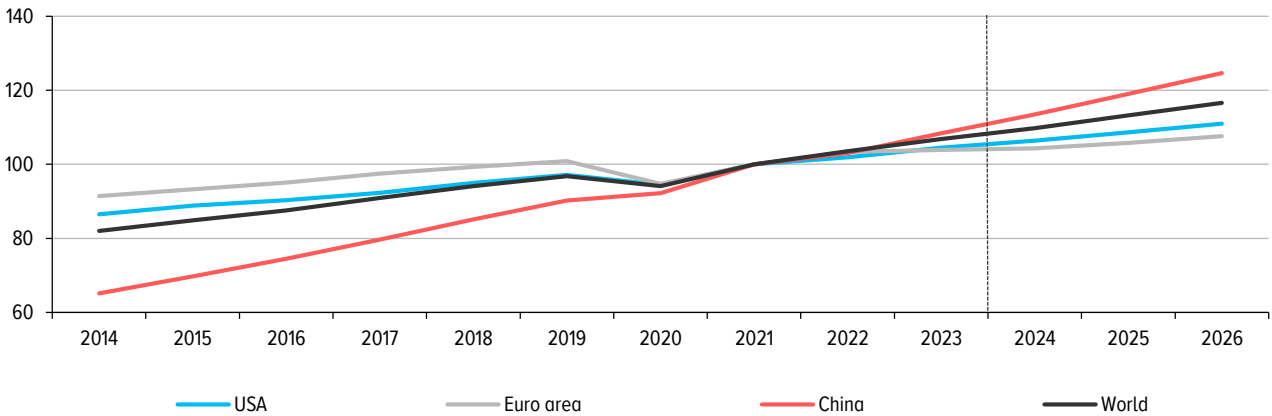
Chart 1



Source: Bank of Russia calculations.

GDP (MAJOR ECONOMIES) (2021 = 100)

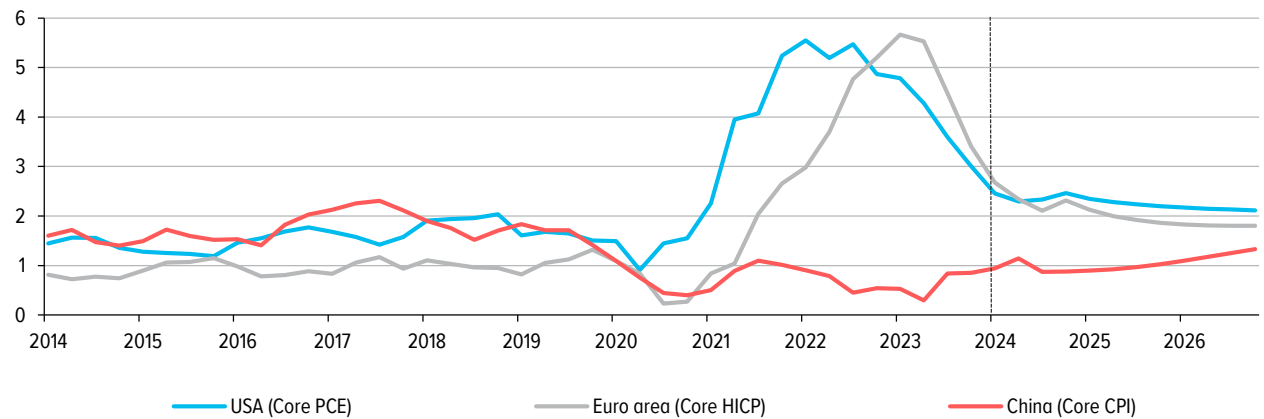
Chart 2



Source: Bank of Russia calculations.

INFLATION (MAJOR ECONOMIES) (% YoY)

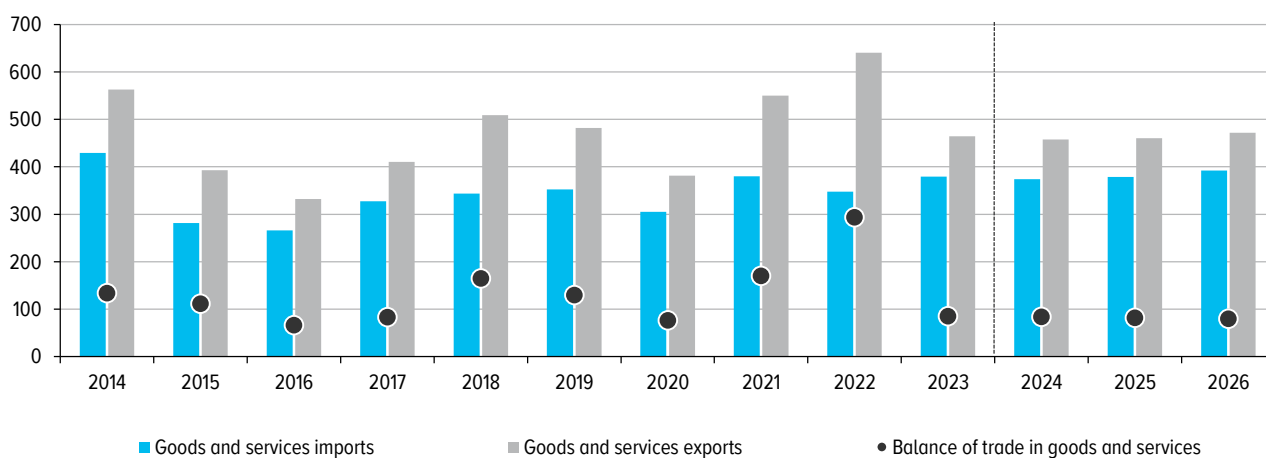
Chart 3



Source: Bank of Russia calculations.

FOREIGN TRADE, GOODS AND SERVICES  
(\$ billion)

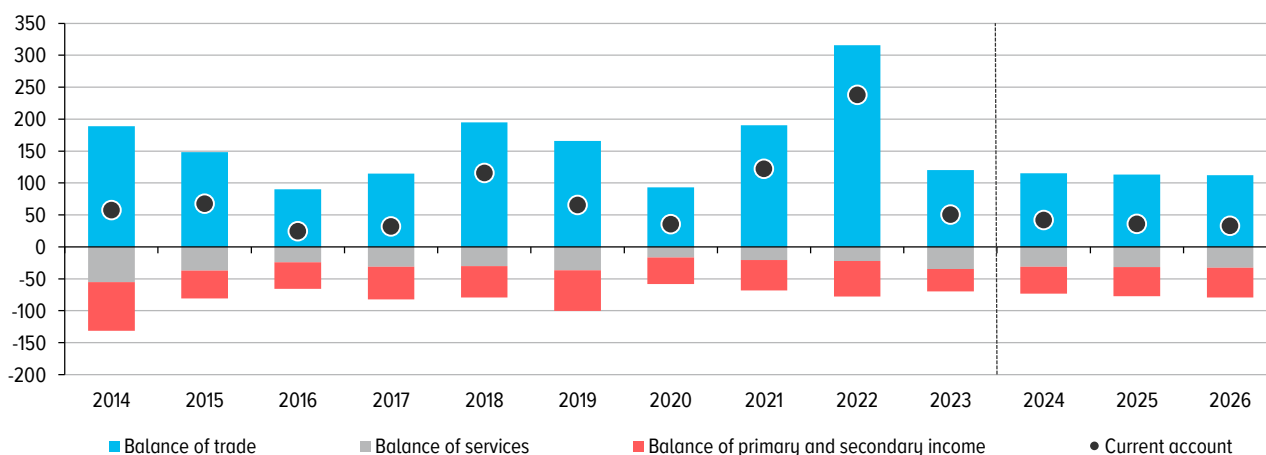
Chart 4



Source: Bank of Russia calculations.

CURRENT ACCOUNT  
(\$ billion)

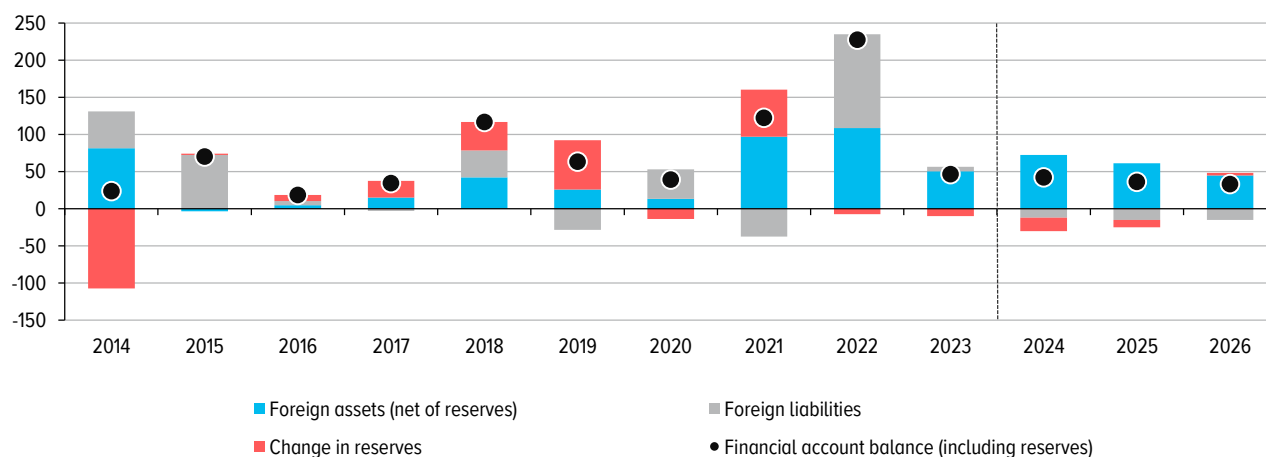
Chart 5



Source: Bank of Russia calculations.

MAIN FINANCIAL ACCOUNT COMPONENTS<sup>1</sup>  
(\$ billion)

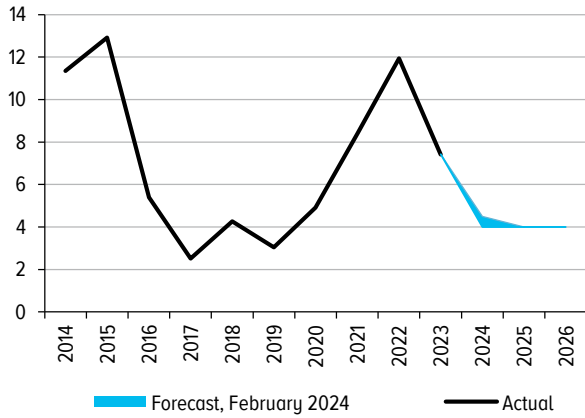
Chart 6



<sup>1</sup> Signs according to BPM6. For the balance, '-' denotes net borrowing and '+' denotes net lending. For assets, '-' denotes a decline and '+' denotes an increase. For borrowings, '-' denotes an increase and '+' denotes a decline.  
Source: Bank of Russia calculations.

**THE INFLATION PATH IN THE BANK OF RUSSIA'S BASELINE SCENARIO**  
(% in December YoY)

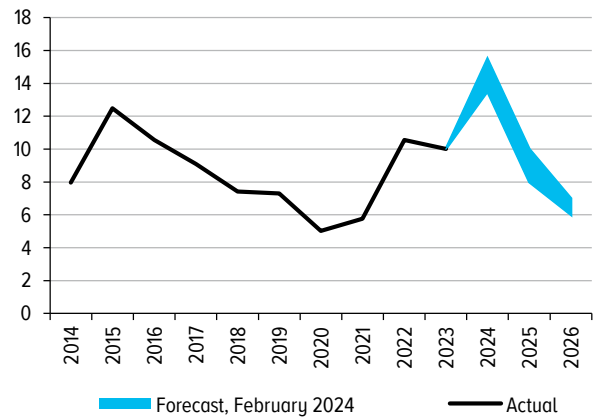
**Chart 7**



Source: Bank of Russia.

**THE PATH OF THE ANNUAL AVERAGE KEY RATE IN THE BANK OF RUSSIA'S BASELINE SCENARIO**  
(% per annum)

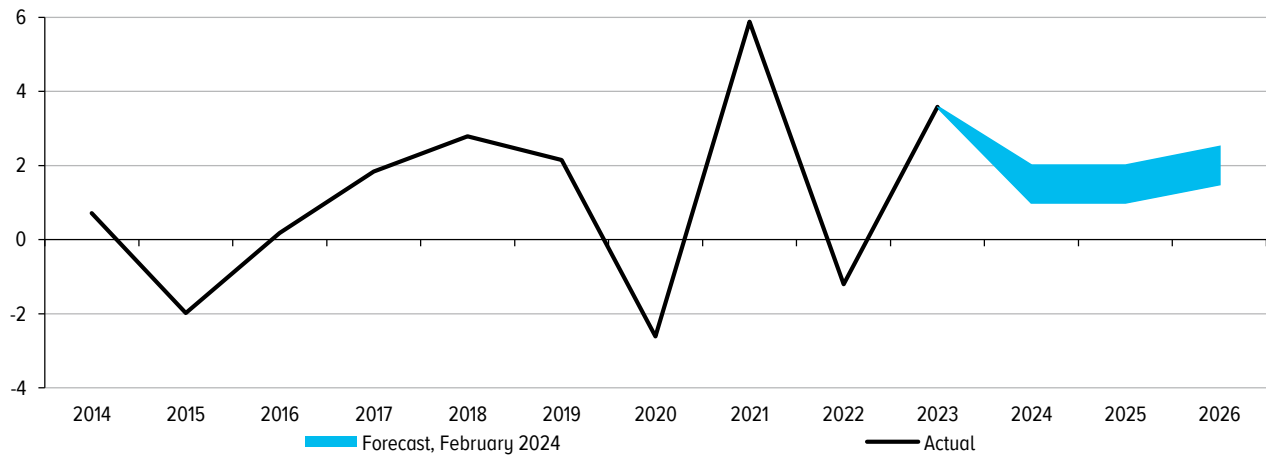
**Chart 8**



Source: Bank of Russia.

**THE GDP GROWTH PATH IN THE BANK OF RUSSIA'S BASELINE SCENARIO**  
(% YoY)

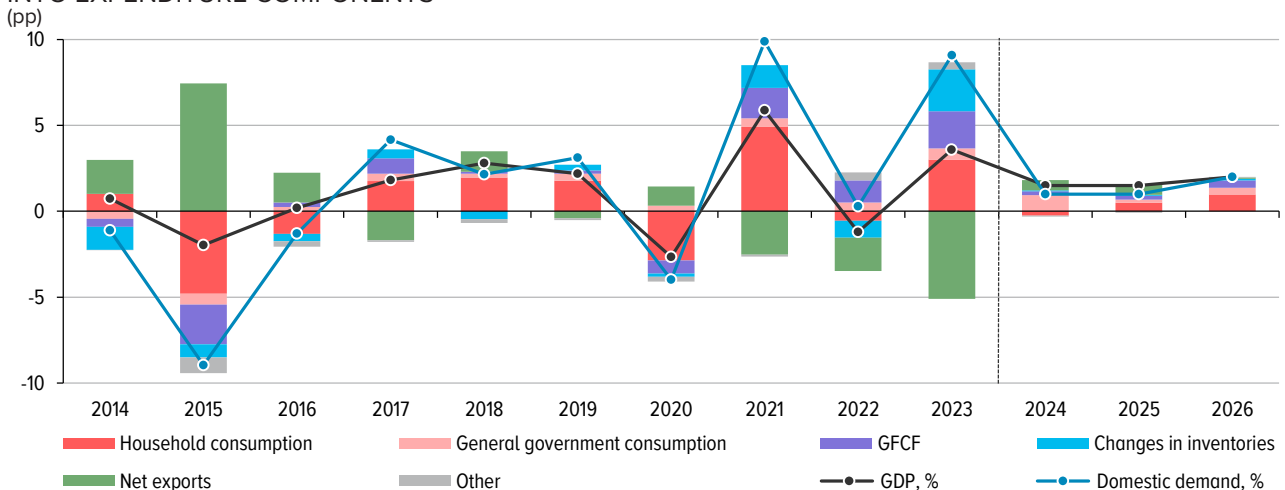
**Chart 9**



Source: Bank of Russia.

**DECOMPOSITION OF ANNUAL GDP GROWTH (% YOY OVER THE YEAR IN GENERAL) INTO EXPENDITURE COMPONENTS**

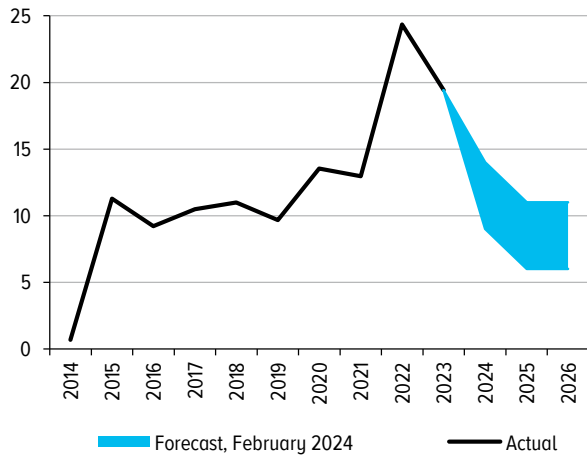
**Chart 10**



Sources: Rosstat, Bank of Russia calculations.

**ANNUAL GROWTH OF THE M2 AGGREGATE (%)**

**Chart 11**

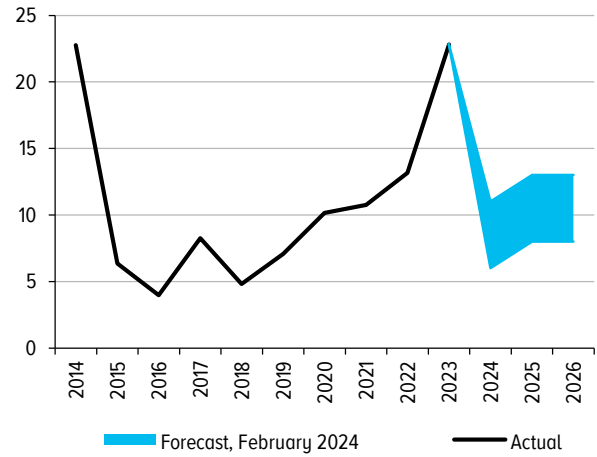


Source: Bank of Russia calculations.

**ANNUAL GROWTH OF CLAIMS ON ORGANISATIONS (%)**

**Chart 12**

(%, with the exclusion of foreign currency revaluation)

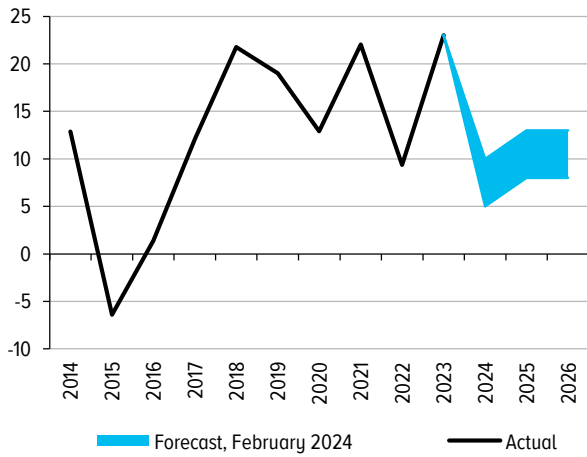


Source: Bank of Russia calculations.

**ANNUAL GROWTH OF CLAIMS ON HOUSEHOLDS (%)**

**Chart 13**

(%, with the exclusion of foreign currency revaluation)

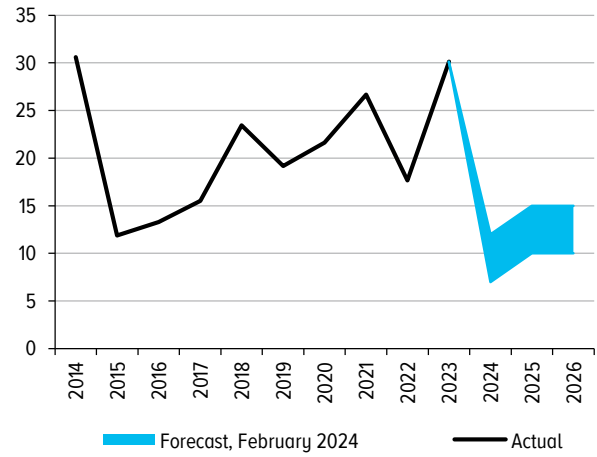


Source: Bank of Russia calculations.

**ANNUAL GROWTH OF THE HOUSING MORTGAGE PORTFOLIO<sup>1</sup> (%)**

**Chart 14**

(%, with the exclusion of foreign currency revaluation)



<sup>1</sup> Net of claims acquired by banks.

Source: Bank of Russia calculations.