Responding to the Coronavirus Crisis
Update on Russia (08/07/20)

EBRD Policy Comparator

<table>
<thead>
<tr>
<th>Financial Sector</th>
<th>Direct support to firms</th>
<th>Payment holidays</th>
<th>Temporary controls</th>
<th>Support to individuals</th>
<th>Increased social benefits</th>
<th>Health</th>
<th>External Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy rate reduced</td>
<td>Liquidity increased</td>
<td>Prudential req. loosened</td>
<td>Wage subsidies</td>
<td>Tax/social contr. deferred</td>
<td>Loan subsidies</td>
<td>Guarantors</td>
<td>Inspections/suspended</td>
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Economic channels of disruption
Private consumption, commodity prices
- Restrictions include a month and a half-long paid holiday for workers, lockdowns in major cities, travel restrictions, closure of schools and ban on social gatherings, all affecting the retail (22% of GDP) and other services sectors.
- Lower oil and gas prices and reduced external demand are a major hit to extractive industries (net oil and gas balance is 13% of GDP).
- Easing of lockdown measures has started as of 11 May, but implementation will vary depending on local government.

Selected crisis impact indicators

- **EBRD GDP growth outlook (May 2020)**
  - 2020: -4.5%
  - 2021: 4%
- **Economic sentiment**
  - May Business SI -6% points (June 2020): (up 3% points m/m)
- **Purchasing Managers Index**
  - June Combined PMI 48.9 (June 2020) (up 13.9 points m/m)
- **MOEX Russia Index**
  - 2,829 (July 7 2020) (up 0.8% m/m)

Crisis response measures to date
Support for vulnerable households, workers and businesses
- A fiscal package totalling 7.8% of GDP aiming to:
  - support individuals under quarantine through social transfers, unemployment payments and debt repayment holidays;
  - help severely affected industries (airlines, tourism), and support hard-hit SMEs;
  - promote recovery in the post-COVID period by supporting fixed capital investments, import substitution and digitalization of the economy.
- Central Bank has undertaken 100bps policy rate cut, foreign exchange sales, introducing a financing line to banks.

Selected crisis response indicators

- **Support to employee salaries**
  - 12,130 rubles ($160) per month per employee for SMEs (conditional), interest-free salary loans
- **Payment holidays for loans**
  - 6 months for affected firms and individuals
- **VAT reduction**
  - None
- **Reserve adequacy**
  - IMF ARA metric: 3.14
  - Reserves/Short-term Debt: 4.28

Key short-term priorities
Provide liquidity to the economy and revenue support to vulnerable individuals

To learn more about EBRD’s support to Russia visit: [https://www.ebrd.com/russia.html](https://www.ebrd.com/russia.html)

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