Responding to the Coronavirus Crisis
Update on Russia (13/11/20)

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

EBRD Policy Comparator

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<th>Increased social benefits</th>
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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 May depending on local government implementation, however as COVID-19 cases have started to increase again, some restrictions are back on the agenda, particularly for Moscow.

Selected crisis impact indicators
- EBRD GDP growth outlook (September 2020) 2020: -4.5% 2021: 3%
- Economic sentiment Business SI -5% points (October 2020): (no change m/m)
- Purchasing Managers Index Combined PMI 47.1 (September 2020) (down 6.6 points m/m)
- MOEX Russia Index 3,004 (November 11 2020) (up 6.0% m/m)

Crisis response measures to date
Support for vulnerable households, workers and businesses
- A fiscal package totalling 7% of GDP aiming to:
  - support individuals to stabilise income trends 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 175bps policy rate cut since March 2020, 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), interst-free salary loans
- Payment holidays for loans (months) 6 months for affected firms and individuals
- VAT reduction None
- Reserve adequacy IMF ARA metric: 3.09

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