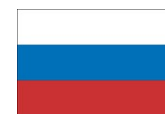


# Responding to the Coronavirus Crisis

## Update on Russia (15/05/20)



### EBRD Policy Comparator

Financial Sector			Direct support to firms					Payment holidays			Temporary controls		Support to individuals				Increased social benefits			Health	External Assistance
Policy rate reduced	Liquidity increased	Prudential req. loosened	Wage subsidies	Tax/ social sec. contr. deferred	Loan subsidies	Guarantees	Inspections/ audits suspended	Loans	Rent	Utilities	Prices	Exports	Universal transfers	Self-employed	Pensioners	Low income households	Enhanced sick leave	Enhanced unemp. benefits	Public works	Additional spending	(available or negotiated)
*	*		*	*	*	*	*	*			*	*		*	*		*	*		*	

### 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** April Business SI -7  
(April 2020): (-5 m/m)

**Purchasing Managers Index** April Combined PMI 13.9  
(April 2020) (down 25.6 points m/m)

**MOEX Russia Index** 2,590  
(May 14 2020) (down 1% m/m)

### Crisis response measures to date

#### Support for vulnerable households, workers and businesses

- Measures to support individuals under quarantine through social transfers, unemployment payments and debt repayment holidays, and help for severely affected industries (airlines, tourism). Total size of measures estimated at around 4% of GDP.
- Postponement of taxes and social insurance payments for self-employed and SMEs, and postponement of debt repayments for affected businesses.
- Loan guarantees, interest-free salary loans and wage subsidies for SMEs.
- Central Bank undertaking 50bps 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 (months)

**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