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2020 better than anticipated but slow recovery ahead

Russian Economy in 4Q20

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Key takeaways

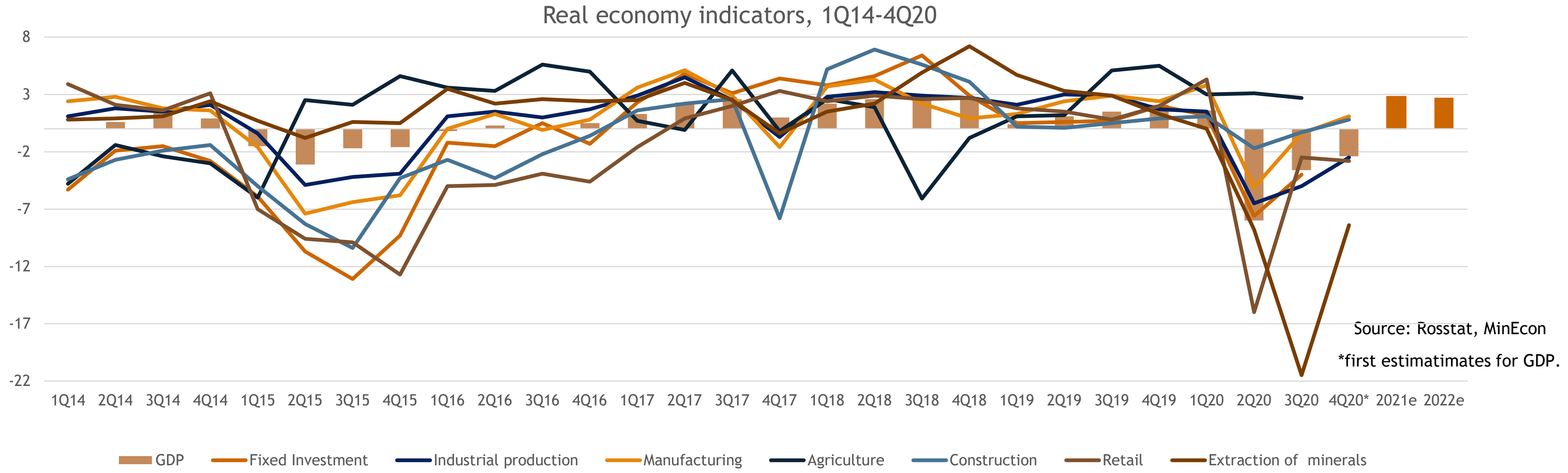
Recent events in 2020 for the Russian economy

- **Russian economy seems to have out-performed most forecasts in 2020** as real GDP decline is estimated at only -3.1 % (y/y). Russia's relatively small service sector and low share of SMEs as well expansive state policies have shielded Russia from any further damage.
- **Development in the industrial sector has been mixed:** extractive industry deep-dived by -7 % (y/y) due to low commodity prices and the oil production cut agreement, whereas positive tendencies were witnessed in manufacturing (+0.3 %) with strongest performance in chemicals (+8.8 %) and food processing (3.1 %).
- **Rouble kept weak by rising geopolitical tensions despite rising oil prices.** Global oil prices have recovered more strongly than previously anticipated in the end of 2020 but rising geopolitical tensions, most lately related to the arrest of Aleksey Navalny, have induced foreign investors sell their Russian assets.
- **Inflation speeding up due to high food and gasoline prices as well as a weaker Rouble**. Consumer price inflation accelerated to 4.9 % in December 2021 due to large hikes in certain food product such as sugar and sunflower oil to such an extent that the government decided to impose price caps and export bans on certain products. In January, drivers for an accelerated inflation levels were found in non-foods especially due to higher gasoline prices and a lagged effect of the weaker exchange rate.
- **Russian state has used 4.5 % of GDP in crisis stimulus despite a 34 % drop in oil and gas revenues.** The state budget ended the year with a 3.8 % deficit (vs 1.9 % surplus in 2019), which was mainly funded from domestic sources. Russia also managed to raise the value of its National Welfare Fund to 11.7 % of GDP.
- **Sentiments in manufacturing and services upbeat as vaccinations are progressing.** Expectations in manufacturing and services rose to the positive side in January after more negative tendencies during the second wave of infections in the Autumn.
- **Real disposable incomes decreased by -3.5 % (y/y) in 2020.** Largest hit in real incomes resulted in entrepreneurial incomes, whereas real wages remained close to last years levels despite stronger inflation in the end of the year. Real disposable incomes were in 2020 -10.6 % of the 2013 levels and poverty has increased by approximately 400 th. people in 2020.
- **Unemployment has continued to decrease** after reaching its peak in 3Q20 and unemployment rate stand at 6.1 % in the end of 2020.

Russian economy in 4Q20

Positive results for 2020 but more damage could materialize in 2021

Russian economy seems to have out-performed most forecasts



Real GDP contraction for 2020 estimated at -3.1 %

- The relatively positive outcome for Russia's economy in 2020 is surprising given the pandemic, low commodity prices for most of the year and the OPEC+ production cut agreement.
- Services sector contracted by -17 % (y/y) in 2020, whereas retail turnover (-4.1 % y/y) was maintained by food purchases and later a strong recovery in non-food products.
- Russia's advantages in the crisis could be attributed to relative low share of services in the economy, growth in manufacturing (+0.3 % y/y in 2020, agriculture (1.5 % for 11 months) for the first half and construction sector (+0.1 %). At the same time, extractives industry contracted by -7 % (y/y) mainly due to low commodity prices.
- Manufacturing drivers were in chemicals (+8.8 % (y/y), especially pharma (+ 23%), food production (3.1 %), light industry (1.1 %) and wood processing (0.5 %).

Geopolitics weakening the Rouble in 2021 despite recovery in oil prices

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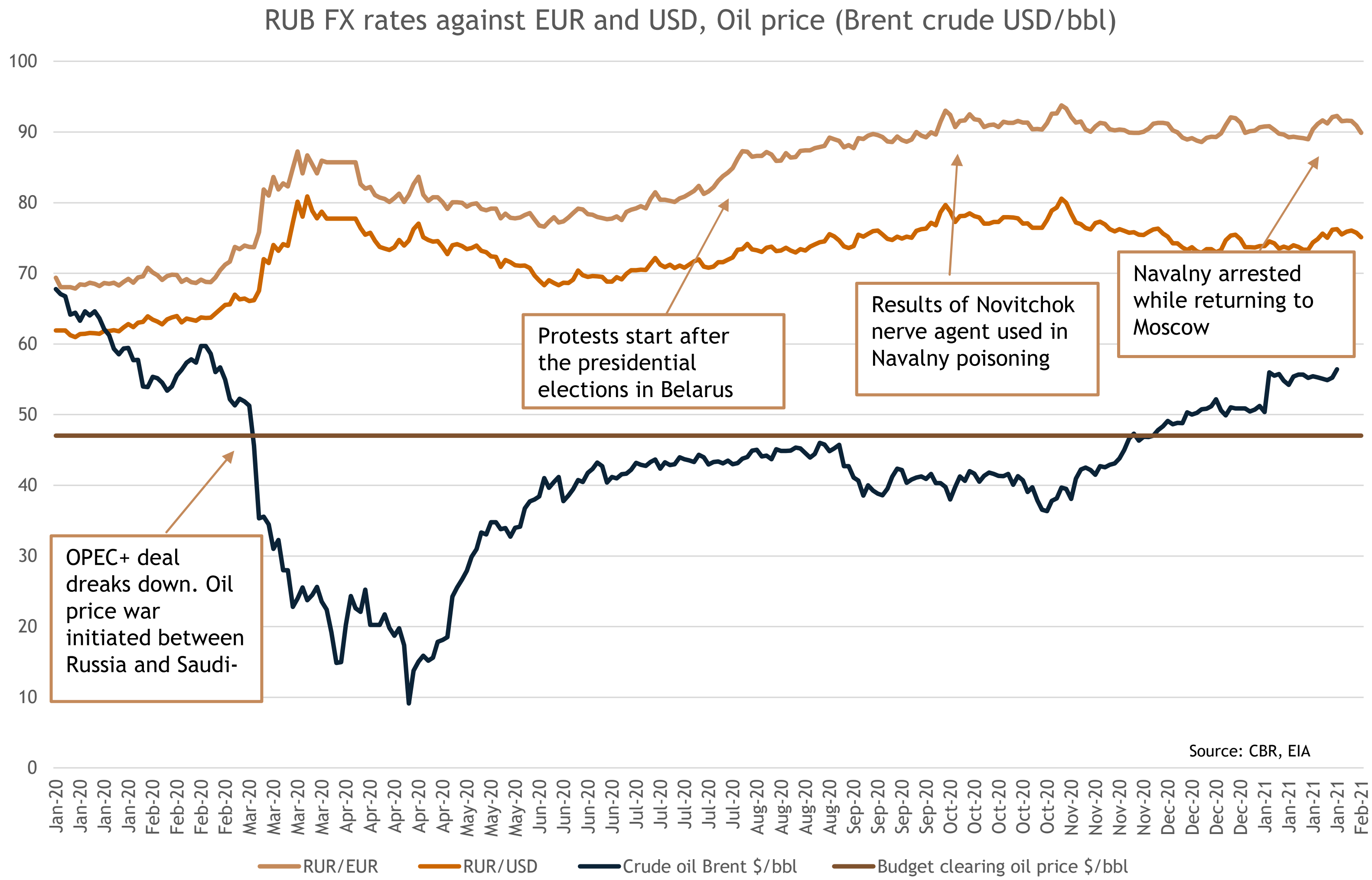
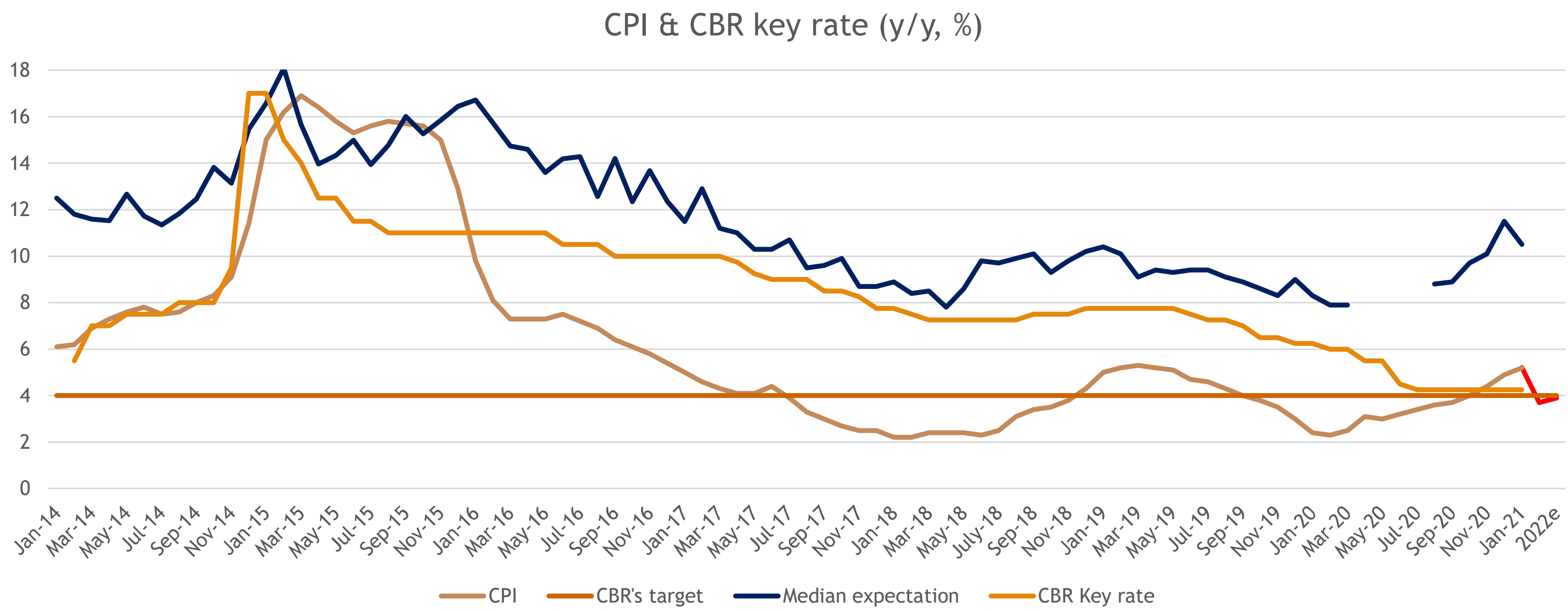


After strengthening in Dec, the RUB/EUR hovering around 90 Jan-Feb

- Despite increases in global oil price, RUB has not strengthened accordingly. After the U.S. presidential elections, the RUB increased together with the oil price but in December news of the Russian cyberattack on U.S. institutions pressed on the USD rate.
- Geopolitical tensions resulted in higher capital outflows of USD 48 billion in 2020 as foreign investors sold off their Russian assets especially in 2H20. Despite high growth from 2019, capital outflows were still modest compared to the crises of 2008 and 2014.
- Rouble is currently undervalued (10-15 % according Sberbank) and is estimated to remain so in 2021 due to geopolitical tensions and the resulting higher levels of capital flight.
- RUB is now expected to remain close to 90 against EUR and most forecasts have been weakened since the last quarter.

Inflation accelerating after food prices hike



January-2021 % y/y	
CPI	5.2
Food	7.0
Non-food	5.1
Services	2.8

Source: CBR

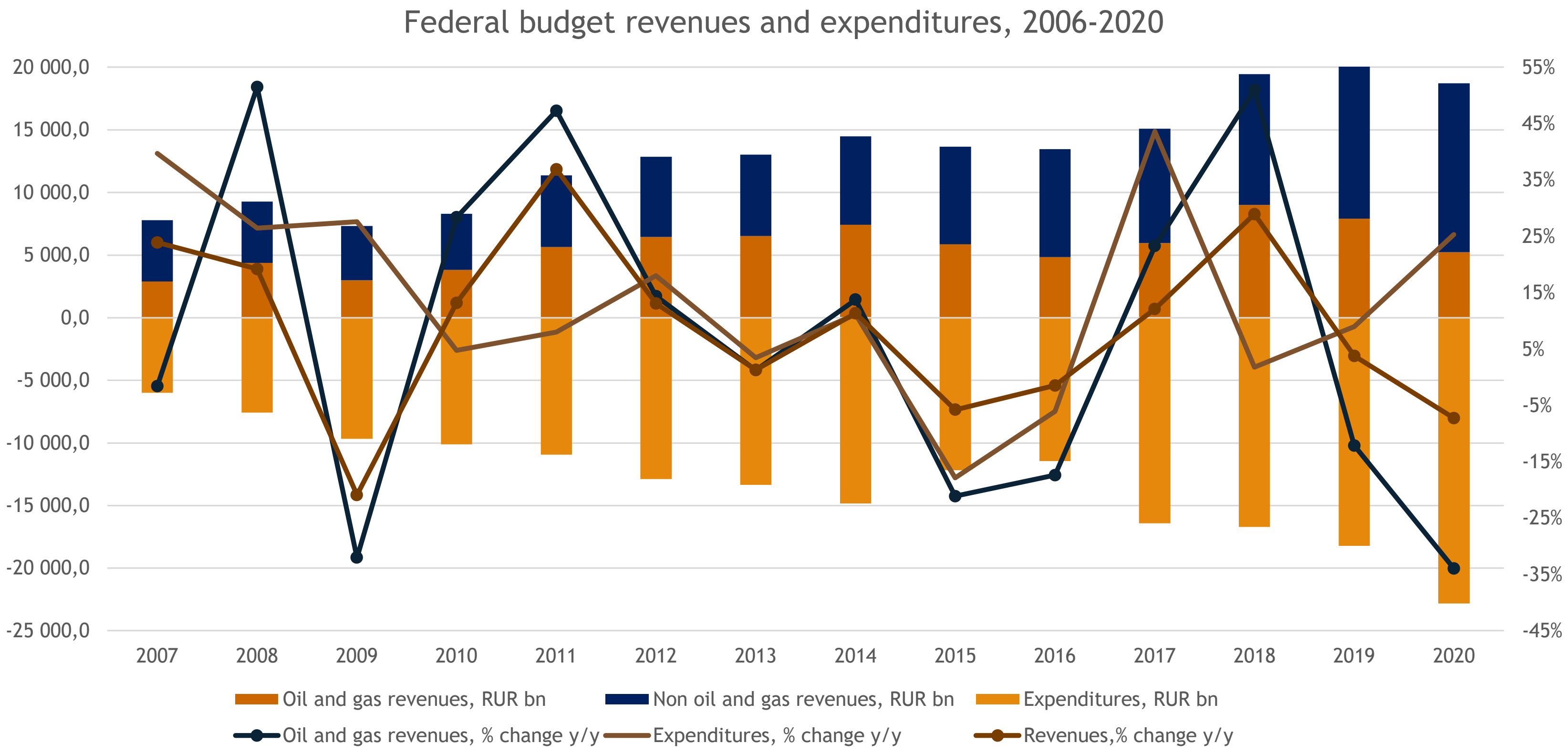
Inflation accelerated end of the year due to strong growth in global food prices and a partly failed yield in Russia

- Inflation accelerated sharply in December due to hikes in crucial food stuffs such as sugar (40 %), sunflower (14 %) and potatoes (11 %). Also, a record high yield in many of these products last year contributed to weak supply and high prices this year. The government took unprecedented actions of imposing price caps on some socially significant food products (sugar, sunflower oil, flour) and export bans.
- In January, inflation in food products accelerated only moderately but stronger acceleration was witnessed in non-foods because higher gasoline prices and a lagged effect of the weaker RUB. Inflation is expected to ease in the coming months if and when the global food markets cool off.

Key rate decisions

- Higher inflation would call for a more constraining interest rate policy, but the CBR has kept its key rate at 4.25 % since July and has refrained from further cuts until now due to a weakening RUB. Also, the on-going recession still demands an expansionary interest rate policy.

Russia's first real test at expansive economic policy in 2020 still on the conservative-side

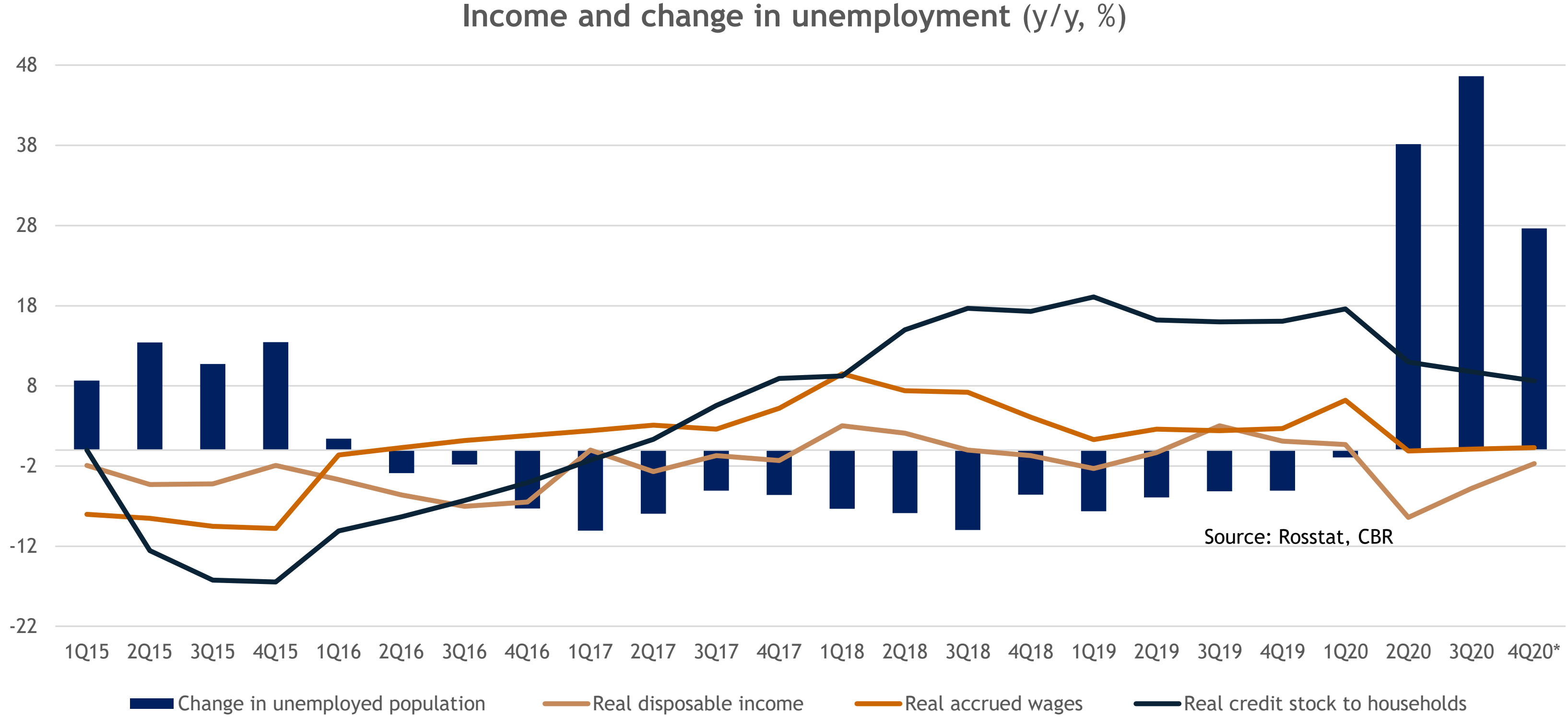


Public finance KPIs for Russia in Dec 2020	
National Welfare fund, % of GDP	11.7 %
Federal debt, % of GDP	20 %*
State stimulus, % of GDP	4.5 %
Budget deficit, % of GDP	-3.8 %
Foreign reserves ranking globally	4th

*preliminary information.

- Russian state budget ran a deficit of -3.8 % of GDP in 2020 after a 1.9 % surplus in 2019. Russia has used relatively large funds to support its economy directed towards poverty reduction and especially families and less so to firms (mostly SMEs). At the same time some taxes (such as income tax) were increased.
- Russia is planning to adjust its spending abruptly in 2021 to 1 % of GDP, which could even reverse the relatively minor losses from the crisis. For example, the World Bank has urged Russia to adjust its crisis support more gradually than planned.

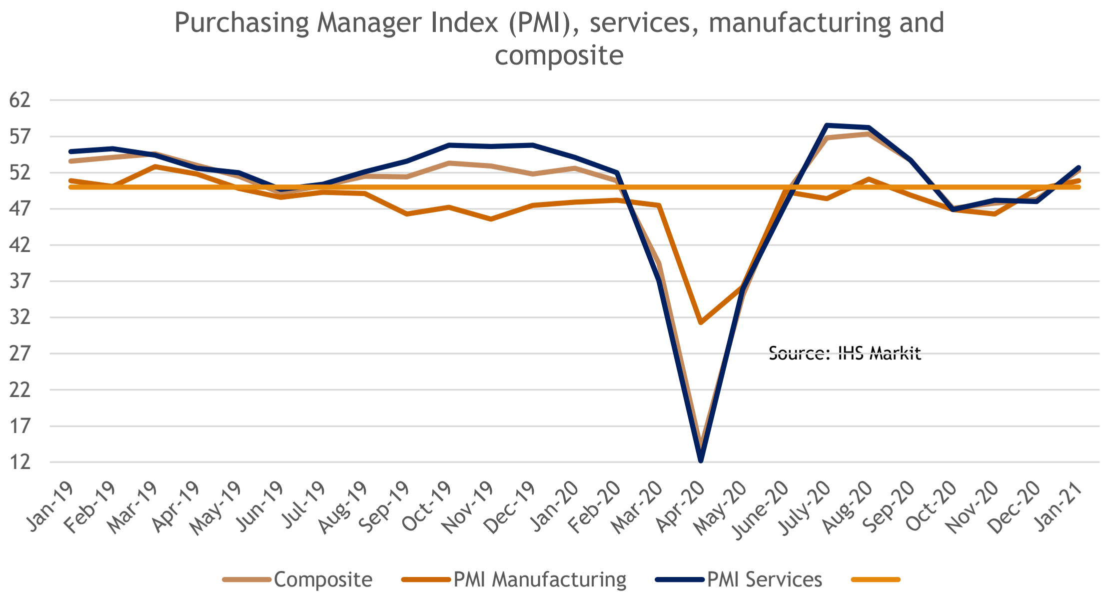
Purchasing power hit by the crisis but unemployment decreasing

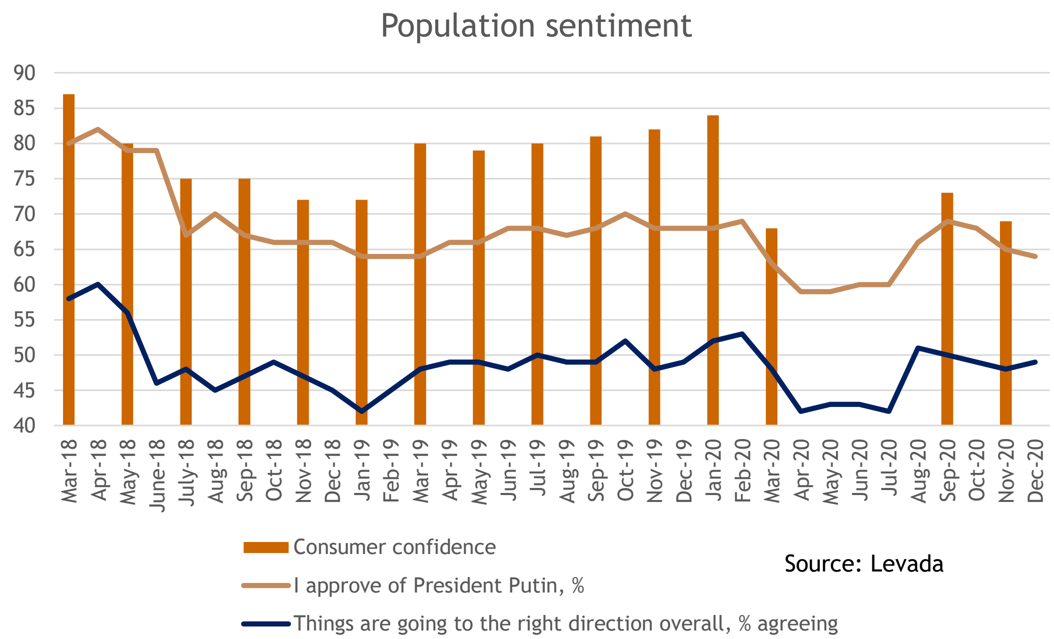


Real disposable income is monetary income corrected with mandatory payments (taxes and fees, interest on loans, etc.), and adjusted for inflation.

- Unemployment has continued to decrease but remains nearly 30 % higher than a year ago.
- Sberbank CIB estimates that between 2013-2020 real wages have decreased by 9.5 % in total, which leaves a significant dent in the consumption potential of Russians. Approximately, 400 th. Russians are estimated to have fallen into poverty in 2020 with a total of 19.6 million poor in Russia.
- Contraction in disposable incomes alleviated in 4Q20 from the previous quarters but for the whole year disposable incomes decrease amounts to -3.5% and are now 10.6 % lower than in 2013. At the same Russians savings have doubled in 2020, which is a new phenomenon in Russia.
- Preliminary information on the state support measures has showed that the state crisis support measures for the poorest have been somewhat effective, whereas the middleclass purchasing power has decreased during the current crisis. As a result, income inequality has narrowed from 40.1 to 39.5.

More optimism in industry but consumer sentiments remain low





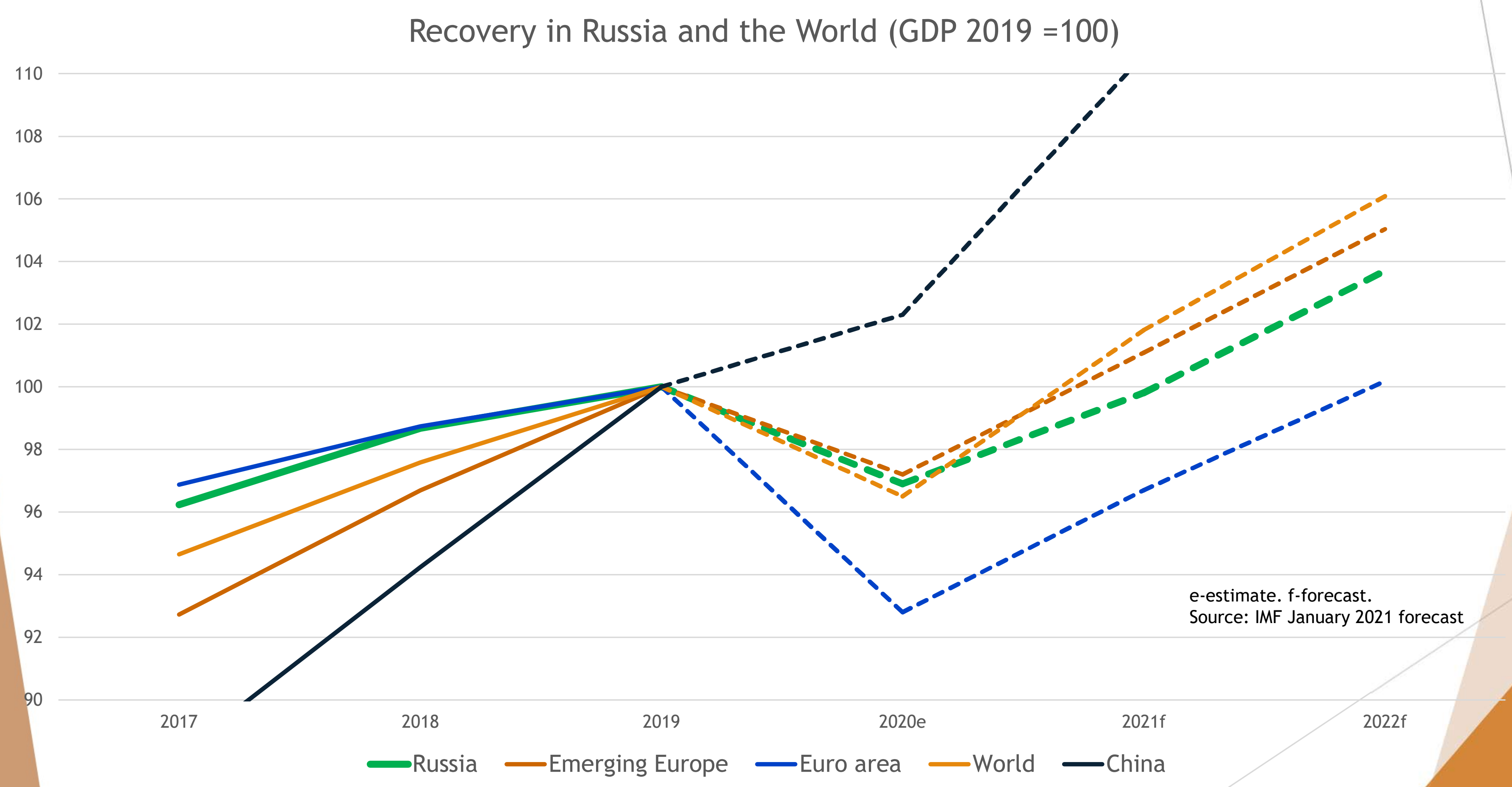
- After a nice recovery in the Summer, the sentiments turned sour again as the second wave of infections hit the country hard even though no strict lock-down measures were imposed.
- Sentiments in both services and manufacturing improved in January, which has been attributed to stronger demand for manufacturing and vaccination-optimism.
- Vaccinations were started in Russia already in December but trust in the vaccination remained low in the beginning and started to have positive effects on industry expectations after new information on safety and effectiveness became available.

- President's approval ratings have decreased moderately towards the end of the year together with a clearly worsening virus situation and rumours that the president "has escaped" Moscow to a private shelter.
- Similarly, satisfaction with the state of the country and consumer confidence have fallen but still remains at a higher level than in March when the first wave of the virus hit Russia.
- Expectations are that consumer sentiment should improve as employment recovers and vaccinations progress in the coming months.

Outlook: Is Russia's lead sustainable?

Recovery in the hard-hit consumer market, export demand and geopolitical tensions determine future growth trajectory

Despite a good starting point, Russia will be left behind from global growth in 2021-2022



3 determinants for Russian economic recovery

Russia's short-term (2021-2022) economic growth are subject to the following developments:

1. Consumer activity and purchasing power recovery (nearly 50 % of Russia's GDP is consumed by Russian households)
2. Winding down of state crisis support and investment (timing is of the essence!)
3. Tensions between Russia and the West (more pressure to impose tougher sanctions in the EU and the US)

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1) Consumption activity recovered to normal levels

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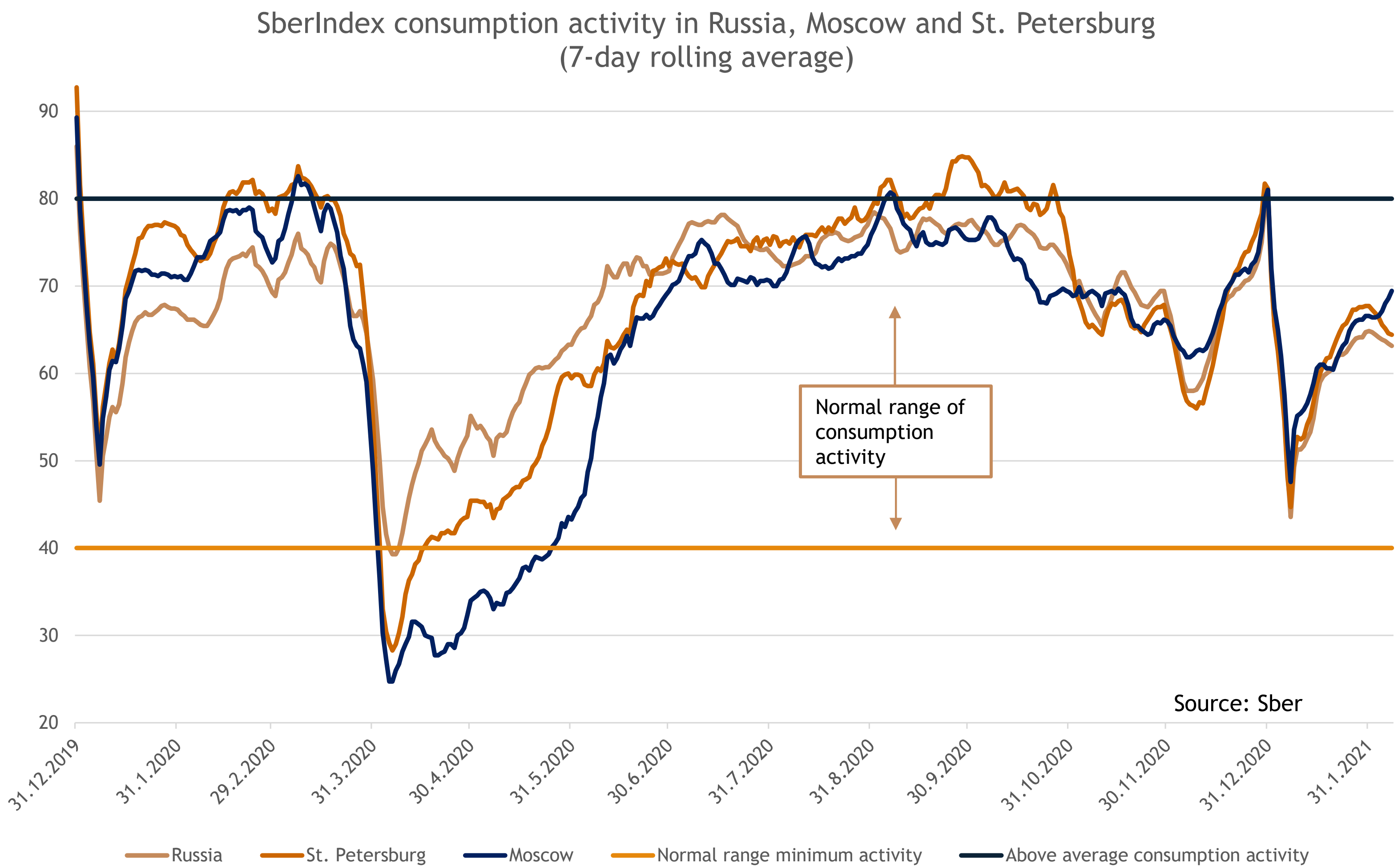
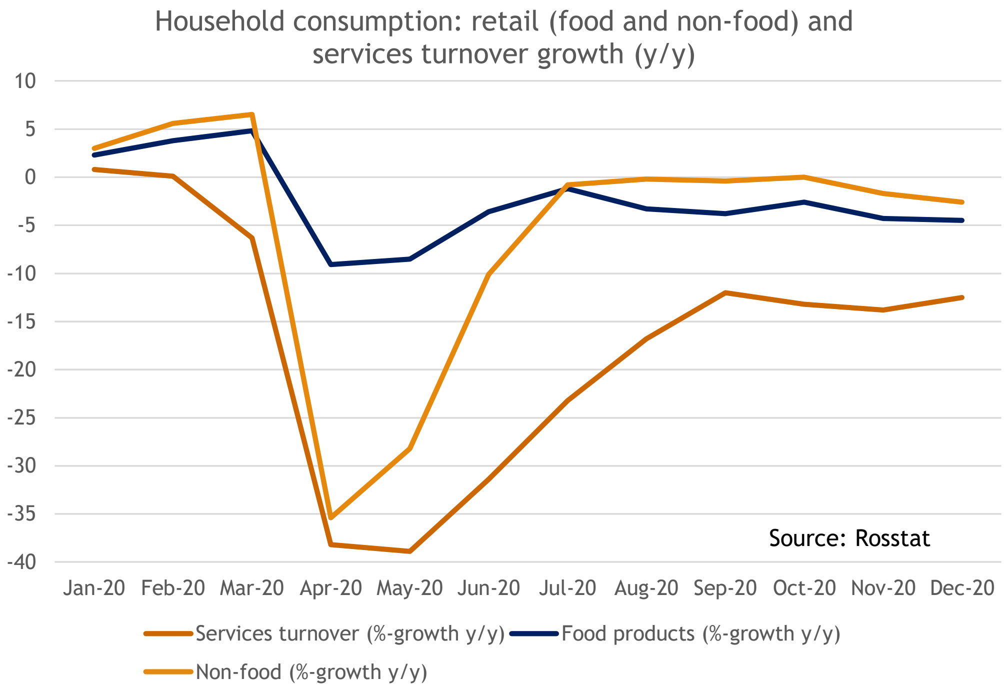
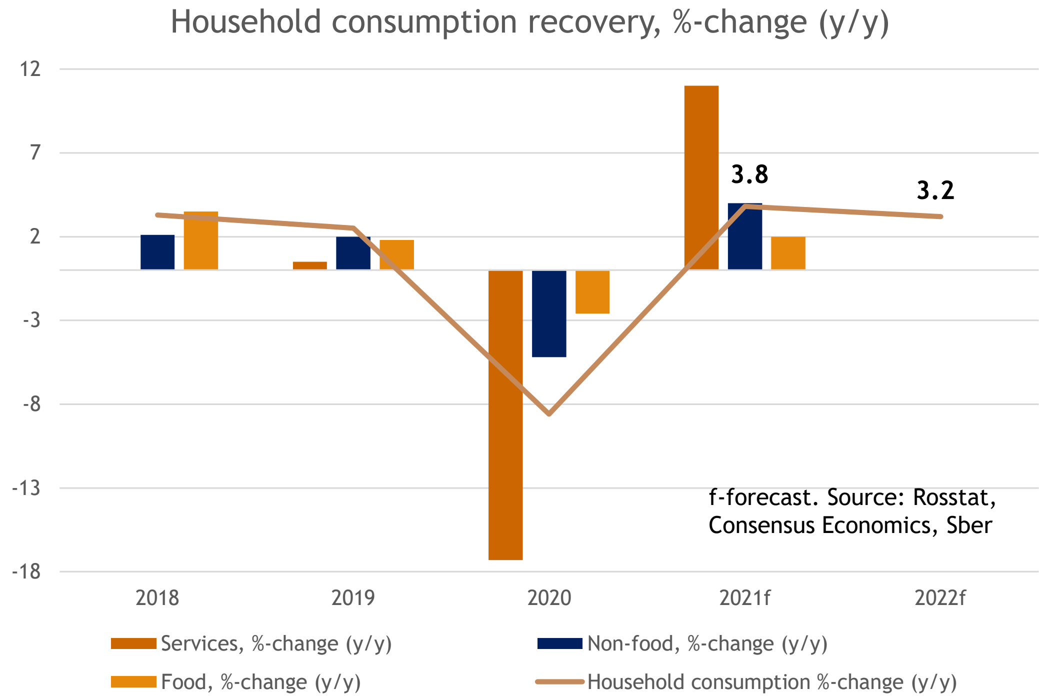


SberIndex is a measure of consumption volume and variety. The index tracks **the relative number of consumers who are currently active and the breadth of demand for goods and services**. Consumer activity on Dec. 30 is set equal to 100 %, as it is the most active day of a year.

1) Household spending will remain below 2019 levels in 2021-2022





- **Household spending in 2020 decreased by -8.6 % (y/y),** which is the largest contraction within GDP demand categories (compared to e.g. fixed investments -6.2 % and exports -5.1 %).
- Interestingly, spending on non-food products has recovered closer to 2019 levels than spending on food despite a larger drop in the Spring.
- Spending has been state supported in 2020 and its recovery depends on employment recovery and state support policies. Services recovery could provide a real boost to consumption levels that is, in turn, dependent on the virus control i.e. vaccination coverage in Russia.

2) Russia’s good performance in 2020 could be reversed if budget austerity measures are **too much too early**

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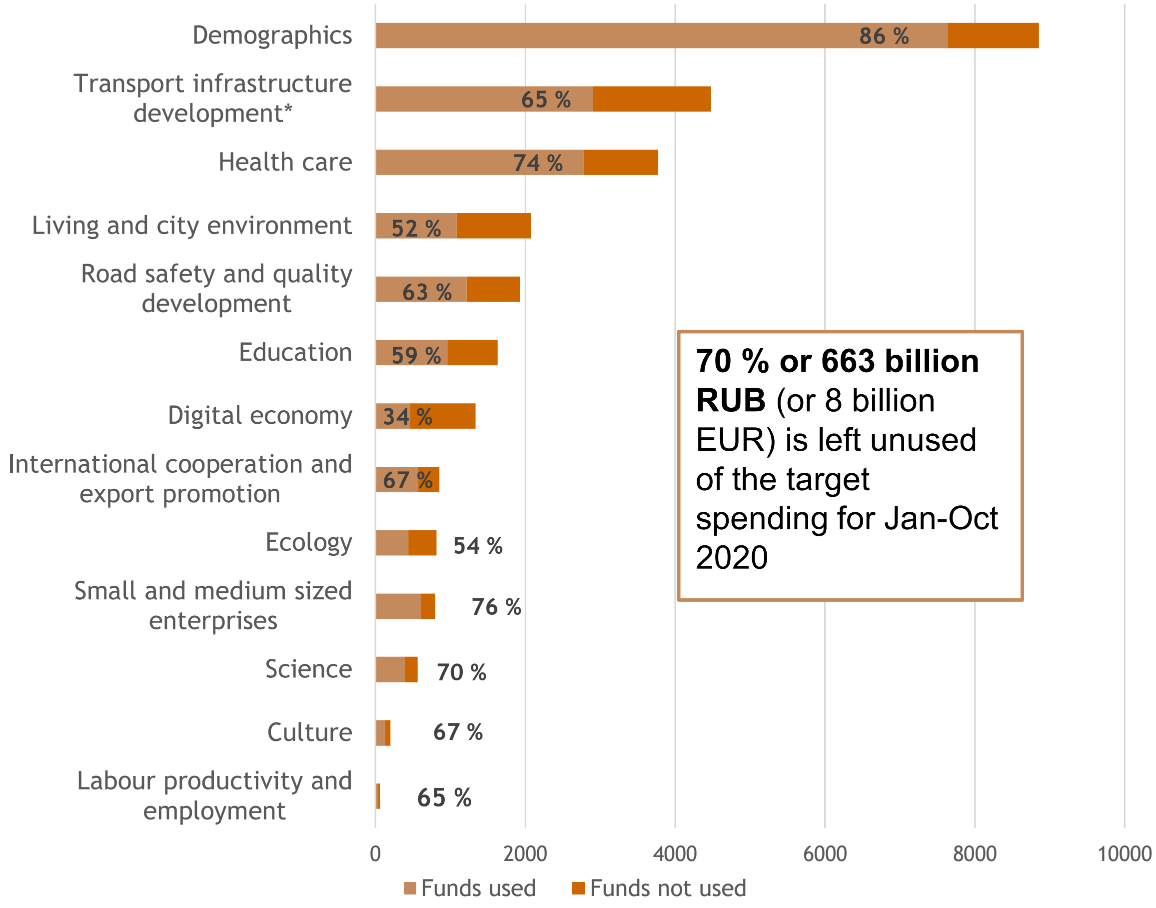
National project spending in Jan-Oct 2020 (mill. EUR)



70 % or 663 billion RUB (or 8 billion EUR) is left unused of the target spending for Jan-Oct 2020

- Energy prices are looking stronger than expected in the last quarter and Brent crude could average around $55/bbl in 2021. This could effectively bring $16 billion more revenues to the state budget.
- Domestic and international experts are advicing Russia to continue its crisis support spending in 2021 and resume its national projects that also constitute as economic stimulus. Also, approx. 1 trillion RUB of budgeted spending was not used and left for 2021-2022.
- Maintaining Russia’s advantageous position against many peers now depends on both the timing and the targets of state support.
- Sberbank estimates that extra 1.2 % of GDP could be invested in infrastructure without significant losses to GDP growth from higher inflation. These investments could be funded from the National Wealth Fund as the liquid part of the Fund is higher than the 7 % of GDP (7.9 % at end of 2020) legal threshold that allows for tapping into to the Fund.
- Finance minister Siluanov has taken a tough stand and said that extra spending will be cut in 2021 from 4.5 % to 1 % of GDP.

3) Russia-West relations at a post-Crimean low and sanctions against Russia could be lifted to another level

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- The pressure to impose tougher sanctions has gained more proponents in EU capitals due to recent events.
- EU sanctions have lately been clearly targeted to certain government officials or close private Kremlin allies, who are usually not allowed to travel to EU or U.S. without permission and have no funds to freeze in the EU area. Now after many events (Skripal poisoning in the UK, consequent cyber attacks and misinformation campaigns, Navalnyi and the extradition of EU diplomats as the latest) **EU-Russia relations are have hit rock-bottom and previouslu untouched collaboration such Nord Stream 2 is under scrutiny by the EU**, but views still differ amongst the member states.
- These **tougher sanctions are to be discussed and possibly agreed upon on Febryary 22nd** in the EU Foreign Ministers Summit. Finnish Foreign Minister Haavisto will visit Moscow next week, which will hopefully be more friendly than the meeting with High Representative Josep Borrel this week.
- The expectations are that **EU will impose sanctions closer to the Kremlin inner circle and sanctions on large state companies would come later** if ever due to impact on EU companies and trade.
- There seems to be growing consensus that the nearly completed **Nord Stream 2 (that has been postponed due to U.S. sanctions) has to be constructed in a way that would ensure that Russia could not use it to pressure Ukraine or the EU**. One option is an **automatic mechanism to impose sanctions on Gazprom** if the flow of gas through Ukraine is stopped or other threats to European energy security are acted upon. There is also growing support for dumping the whole project, for example in the EU parliament.
- In the longer term and **if EU-Russia relations remain in such a state, it would mean that EU will effectively execute plans to circumvent Russia** in trade and business ties and Russia will become more isolated.

3) Under the new president, U.S. sanctions policy will change more in rhetoric than in actions

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- Under the Biden administration, **the lead in sanctions policy will remain in the Congress** and sanctioning Russia unites the two parties. U.S. sanctions against Russia will also be toughening up. Biden has, however, annunced that the focus of the sanctions will be more on the human rights and chemical weapons proliferation and woved to cooperate more with European allies.
- **The U.S. has less to loose from imposing sanctions on Russia** as bilateral trade ties between the countries have diminished in the recent years. However, if the calculations are done carefully in U.S. Treasury, **imposing hefty sanctions on large raw material companies could prove damaging also for the U.S. economy as Rusal April 2018 sanctions proved.** Also, isolating Russia from SWIFT is still unlikely for the same reasons.
- Despite a new humanistic tendency in sanctions, **the U.S. sanctions policy is still driven by recent domestic events:** Russia's cyberattacks on U.S. institutions and the Capitol Hill incident. If investigation finds that Russian security personel were involved in the storming of U.S. Congress on Capitol Hill, U.S. legislators will show less constraint on imposing economic harm on Russia.
- There is another bipartisan sanctions package introduced in Congress last week, *Holding Russia Accountable for Malign Activities Act of 2021*, that has parts from all the other previously introduced packages with a mention on Navalny's release and independent inquiry into his poisoning and adding diplamatic pressure on Germany.
- **Currently, there are at least 5 draft laws on Russian sanctions in legislative process in the U.S. as well as the National Security bill updated every year** that are the source of the recent sanctions on Nord Stream 2 vessels. There also many existing laws that allow for imposing sanctions, such as the *Chemical and Biological Weapons Control and Warfare Elimination Act of 1991*.

Kazakstan, Ukraine and Belarus

Political turmoil but diverging economic outcomes for 2020

Kazakh economy showing significant improvement for the end of 2020

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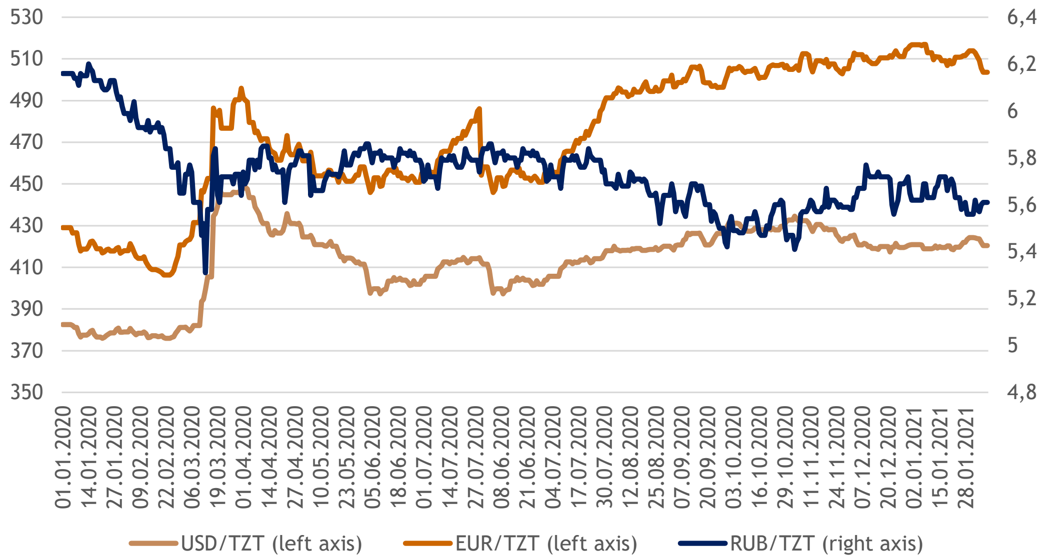
Kazakhstan seems to have avoided the worst-case scenario in 2020 with the short-term indicator for the economy (covers 60% of GDP) implying a relatively small decrease of 2.4 % (y/y). Surprisingly, the manufacturing sector managed to grow by 3.9 % compared to 2019 with strong growth in food processing and metallurgy. Largest negative impact came from the decline in the extractives sector following oil price slump in the first half of the year and consumer driven sectors such as services. Heightened inflation (7.4 % in Dec-20) has contracted purchasing power of Kazakhs. Kazakhstan's economy has recovered consequently every quarter and recovery is progressing through retail (estimated drop of -4.1 % (y/y) for 2020) and wholesale and transport sector growth that were dampened by the lockdown in the beginning of the year. Oil and the extractives sector (-3.7 (y/y) in 2020) is recovering through price increases but constrained by the OPEC+ production cut agreement.

On January 10th, the first parliamentary elections were held after Tokayev succeeded Nursultan Nazarbayev 2019. Unsurprisingly, the ruling party Nur-Otan, led by former president, won the election by a landslide but real opposition parties were permitted to run. Although Tokayev has been talking loudly of democracy, the need for political reforms and the value of civil society, the reality of past months have been something else: several prominent human rights NGOs have recently been targeted, fined and even suspended on the pretext of alleged tax violations. European Union in has called on the Government of Kazakhstan to urgently address this issue.

The second wave of Covid-19 did not hit the country as badly as many other nations and Kazakhstan has been able to keep its economy open. Authorities have also been reluctant to impose strict restrictions: despite a sudden increase in new cases from the end of January, there are no official plans to reinstate a lockdown. Instead, the focus will be on applying regionally targeted restrictions.

Tenge FX rates against EUR, USD and RUR



Main economic indicators	Real		Forecast	
	2019	2020	2021	2022
GDP, % y/y	4.5	-2.4*	3.6	4.9
Industrial production, % y/y	7.1	-0.7	2.9	5.1
Inflation, % y/y	5.4	7.4	6.3	5.9
Current Account Balance, USD bn	-7.2	-5.8*	-4.6	-3.9

*Short term indicators for the main sectors of the economy. **preliminary estimate.
Source: National Bank of Kazakhstan, Ministry of National Economy of the Republic of Kazakhstan Committee on Statistics
Forecasts from Consensus January 2021 survey

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Clear improvement for Ukraine in 4Q20 as global demand recovers

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Ukrainian economy has suffered from the pandemic as well as low prices for its exports produce for the most part of the year. Ukraine's crisis relief has been modest due to the continued bad state of public finances and health care sector has been overstretched with corona patients. However, the economic dynamics for the country improved towards the end of the year together with rising commodity prices. This implies that Ukraine could end up with a GDP drop of 4.5 % in 2020 after contracting by -5.4% (y/y) in 9m20. In 4Q20, industrial output contracted by 5.2 % (y/y) for the whole year, which is less than 9m20 would have suggested (-7%). Meanwhile, retail trade surged 8.4% in 2020 after 5.0% growth in 9m20 despite lockdown measures, construction rebounded to 4 % growth from a 0.6% drop in 9m20. Agricultural output drop was -11.7 % in 2020 but only -3.7% in 4Q20.

The negotiations for the IMF loan were re-started on December 2020. IMF and EU had delayed the $5 billion deal president Zelensky's government secured in June because of the inability to tackle corruption and growing concerns over the independence of the National Bank. The governor of the National Bank has announced that Ukraine expects to receive $2.2 billion loan spread across three tranches from the IMF in 2021. On of the main issues that have been disputed with IMF for a long time is Ukraine's regime of regulating household gas prices. The prime minister has already stated in January that his government would set a uniform gas price for households to avoid a jump in energy bills, which have already led to protests across the country. Gas prices are a highly political issue in Ukraine, which opposition parties can use against the government. The IMF's see that such regulations prevent the gas market from developing. Ukraine's government now tries to find a compromise on the issue by emphasising that any such regulations would be temporary.

Ukraine has called the EU and US to help with receiving vaccines as Russia's Sputnik V vaccine is not politically feasible for Ukraine. Ukraine has negotiated with China and is expecting to get the Sinovac vaccine and has held negotiations with individual EU countries in order to get their surplus. The first vaccinations are hoped to start in mid-February.

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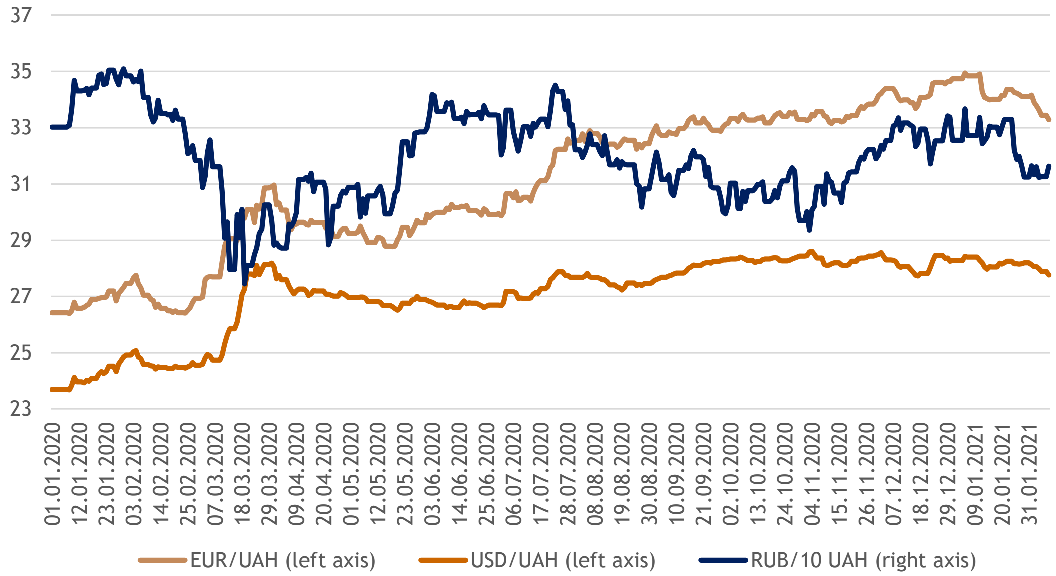
Hryvnya FX rates against RUB, EUR and USD



Main economic indicators	Real		Forecast	
	2019	2020	2021	2022
GDP, % y/y	3.2	-5.4*	3.6	4.1
Inflation, % y/y	7.9	5.0	6.4	5.9
Industrial production, % y/y	-0.5	-5.2	2.9	3.1
Current Account Balance, bn USD	-1.3	6.6	-2.6	-3.6

*For 9m20. Source: National Bank of Ukraine, UkrStat
Forecasts from Consensus Economics January 2021 survey

Belarus economy has fared surprisingly well during the pandemic and political turmoil of 2020

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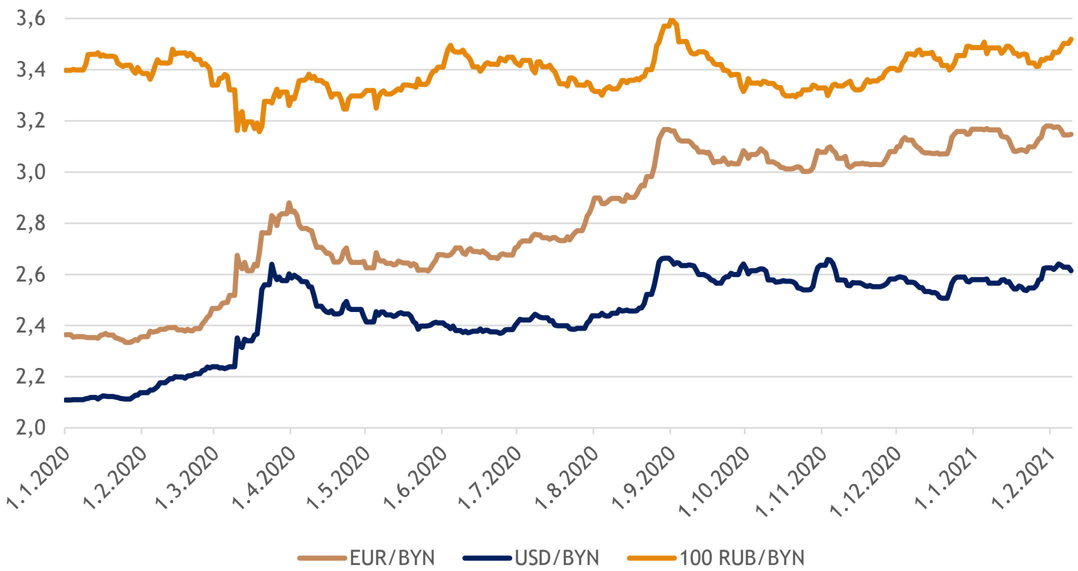
Against all odds, the Belarusian economy ended the year with the best GDP performance in the region. GDP in the country contracted only by 0.9% in 2020, which is an excellent outcome given the pandemic, political turmoil in the country since August, oil disruptions from Russia and weak global demand. One of the most important reasons for the success was the near complete lack of virus restrictions in the country. Industrial output contracted by 0.7% driven by declines in mining and quarrying (-2.2%) and electricity supply (down -3.8%). In other main sectors the declines has already started in 2029: wholesale trade was down 4.2% in 2020 (vs -3.9% in 2019) and freight turnover declined -5.9% (vs 5.8% in 2019). Retail trade maintained growth but decelerated to 1.8% due to slowing real disposable income growth (4.4% y/y in 11m20 vs 6.1% in 2019). Meanwhile, growth in the agriculture sector accelerated to 4.9% from 2.9% in 2019.

Despite a relatively positive outcome for the Belarusian economy, many potentially serious risks materialized in 2020. As the protest spread in Belarus in the Autumn, Belarusians started to withdrawn massive amounts of cash from ATMs, largely in dollars, fearing yet another recession and a currency collapse. As the general strike called by the opposition in October failed to happen and the country received a huge loan from Russia, the government managed to build up its reserves again, partly by tapping domestic savings and issuing bonds on the local market. The protests have now lasted 6 months, and there is no sign that either party would pave. The opposition leader Tikhanovskaya continues to address both international community and people in Belarus in order to fight the Lukashenko regime. Lukashenko has been forced to turn to Russia for help, since the West is openly calling for new elections and to stop persecuting the opposition. For decades, Belarus has been relatively successful in balancing between Russia and the West, wanting to decrease its dependence on Russia. Now, Russia is able to tighten its grip on Belarus and its economy even further.

The main risk to the economy and any possible growth is still the political situation, which is creating consumer pessimism accelerating brain drain. EU and US could impose new, more damaging sanctions on Belarus. Sanctions imposed in December had only a limited impact on the economy, since only few businessmen and organisations close to the leadership were targeted. The political turmoil has already decreased Belarus' investment attractiveness, which already materialized as a significant reduction in foreign investments the latter part of the year.

Belarusian Rouble rate against EUR, USD and EUR



Main economic indicators	Real		Forecast	
	2019	2020	2021	2022
GDP, % y/y	1.4	-0.9*	1.3	1.8
Inflation, % y/y	5.6	7.4	5.8	5.4
Industrial production, % y/y	1.0	-0.7*	1.3	2.3
Current Account Balance, USD bn	-1.2	-1.4*	-1.5	-1.5

*Preliminary estimate. Source: National Bank of Belarus, Sberbank
Forecasts from Consensus Economics January 2021 survey

Analysis by Sinikka Parviainen and Sanna Hentunen

Moscow city and St. Petersburg

Second wave stabilizing with weak signs of normality

Recovery slowing down end of 2020 in Moscow but stronger than national average

Economic recovery in Moscow has been strong since the Summer and Moscow has had a significantly easier second wave of COVID-19, when the virus raged in the regions. During the past months, the pandemic situation in Moscow has significantly improved thus, paving the way for a full removal restrictions. In January, the city has registered an average of 2 000-3 000 new cases daily, which is a steep decline from 7 000 cases registered at the peak of the second wave. Moscow was also the first city to start mass vaccinations, and mayor Sobyanin has announced this as the main reason for the improving situation. Many of the strictest restrictions have been lifted during the past few weeks and the city government is emphasising the need for creating the best possible conditions for economic recovery.

Important sectors such as manufacturing and construction have already bounced back considerably in 2H20. In last months of the year upbeat activity seems to have slowed down in all the sector following new rise in infections but is expected to ease as vaccinations progress in Moscow. For example, Moscow's manufacturing sector posted 5.2 % growth for 2020. There are already weak signs of real recovery in the most affected sectors e.g. hospitality services as hotel bookings have soared. One concern in 2021 is related to Moscow's numerous service providers in the likely case that the government support is drawn back but customer purchasing power has decreased.

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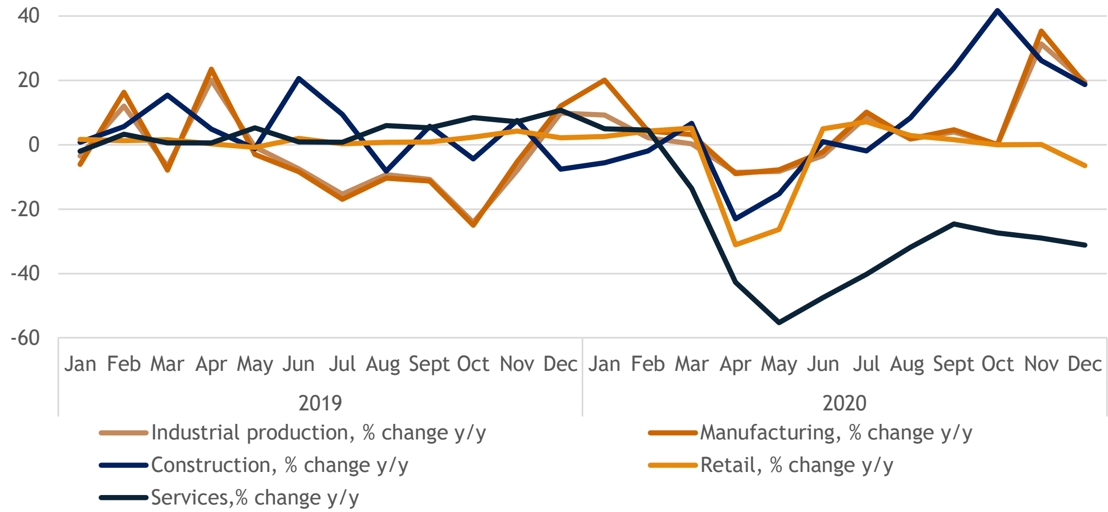
Main economic sectors in Moscow, %-growth y/y



	Russia 2020	2020	2019	2018	2017
Inflation,CPI % y/y	4.9	3.8	3.4	4.3	3.8
Unemployment rate, (% average for the period)	6.1	3.6	1.4	1.2	1.4
Nominal wage, average monthly RUB	49 274*	95 314*	93 866	83 581	73 153
Nominal wage growth, % y/y	-0.8*	1.3*	12.3	14.3	2.8
Share of loss-making firms, (% average for the period)**	31.2*	32.1*	24.5	24.3	23.3

*Data until November. Source: Rosstat

Recovery moderately accelerating towards the year-end in St. Petersburg

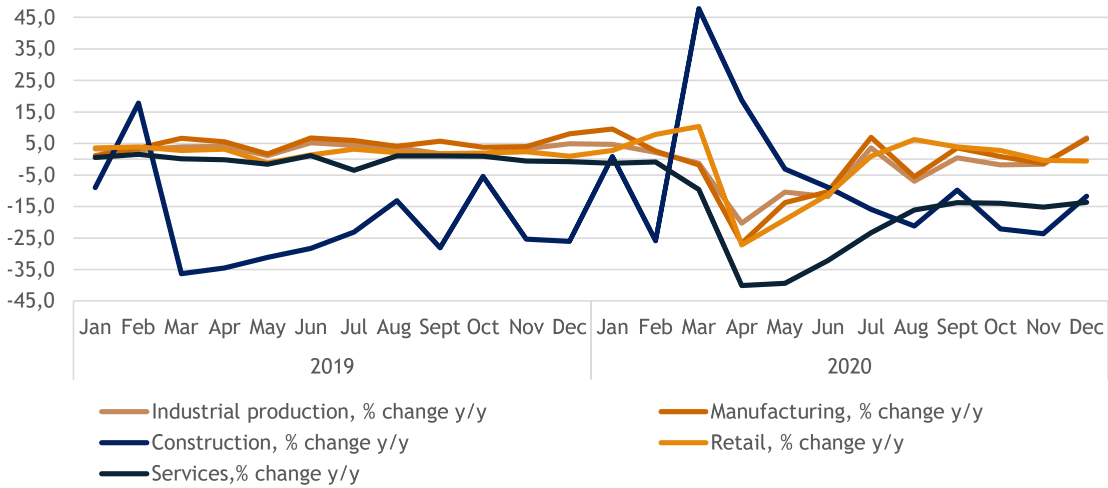
The economy of the city has taken hard hit as the COVID-19 pandemic became significantly more serious in the Autumn than during the first wave in the Spring. In the last months of the year retail, manufacturing and industry as a whole has recorded output at the level of last year but construction, retail the city's important tourism sector has been dwarfed by the pandemic as there was a de facto lockdown during the prime tourism season between Christmas and the New Year. Services sector were still nearly -20% of the in December 2019 levels.

Industrial production decrease (-1.7 % y/y) was less severe than in the country as a whole (-2.9 % for Russia). Manufacturing sector performed slightly worse than the Russian average (-0.9 %). Transport sector posted strong growth of 54 % and freight turnover was probably aided by the pandemic with growing online orders. Retail sector also showed a relatively small decrease of -2 % especially due to a strong bounce back after the first wave.

According to St. Petersburg governor Beglov, growth in new infections in St. Petersburg has finally stabilized by the start of 2021. Currently, also in St. Petersburg many of the restriction are being lifted such food courts are able to open again and museum, concert halls, sports events and theatres can operate with 75 % of the normal level of visitors. However, night clubs will remain closed. The city was one of Russia's most-infected areas during the second wave raging since Autumn and there were serious concerns that the city's health care system would be overwhelmed.

Analysis by Sinikka Parviainen and Sanna Hentunen

Main economic sectors in St. Petersburg, %-growth y/y



	Russia 2020	2020	2019	2018	2017
Inflation, CPI % y/y	4.9	4.7	3.0	3.9	3.7
Unemployment rate, (% average for the period)	6.1	3.6	1.4	1.5	1.7
Nominal wage, average monthly RUB	49 274*	65 465*	63 235	60 225	54 321
Nominal wage growth, % y/y	-0.8*	-2.6*	5.0	10.9	11.5
Share of loss-making firms, %	31.2*	25.8*	18.6	19.4	18.5

* Data until November. Source: Rosstat

Thank you

Any comments or questions?

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