

# Russian economy long-term forecast 2012-2030

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# The key tasks of the forecast

- A comprehensive analysis of economic development restrictions
- Definition of the economic growth potential
- The estimation of the structure parameters in long-term prospect
- Basis of main vectors of economic policy in long-term prospect

# New in forecast approach

- Model for harmonization of scenario's key parameters (world economy, oil prices, exchange rate)
- Function of household consumption saturation
- Estimation of capital intensity by sectors
- Using special models for primary resources production
- Demographic and pension system model

# Retrospectives

Economic growth in Russia in 1999-2008

two steps

1. 1999-2005 Export expansion
2. 2005-2008 Internal demand

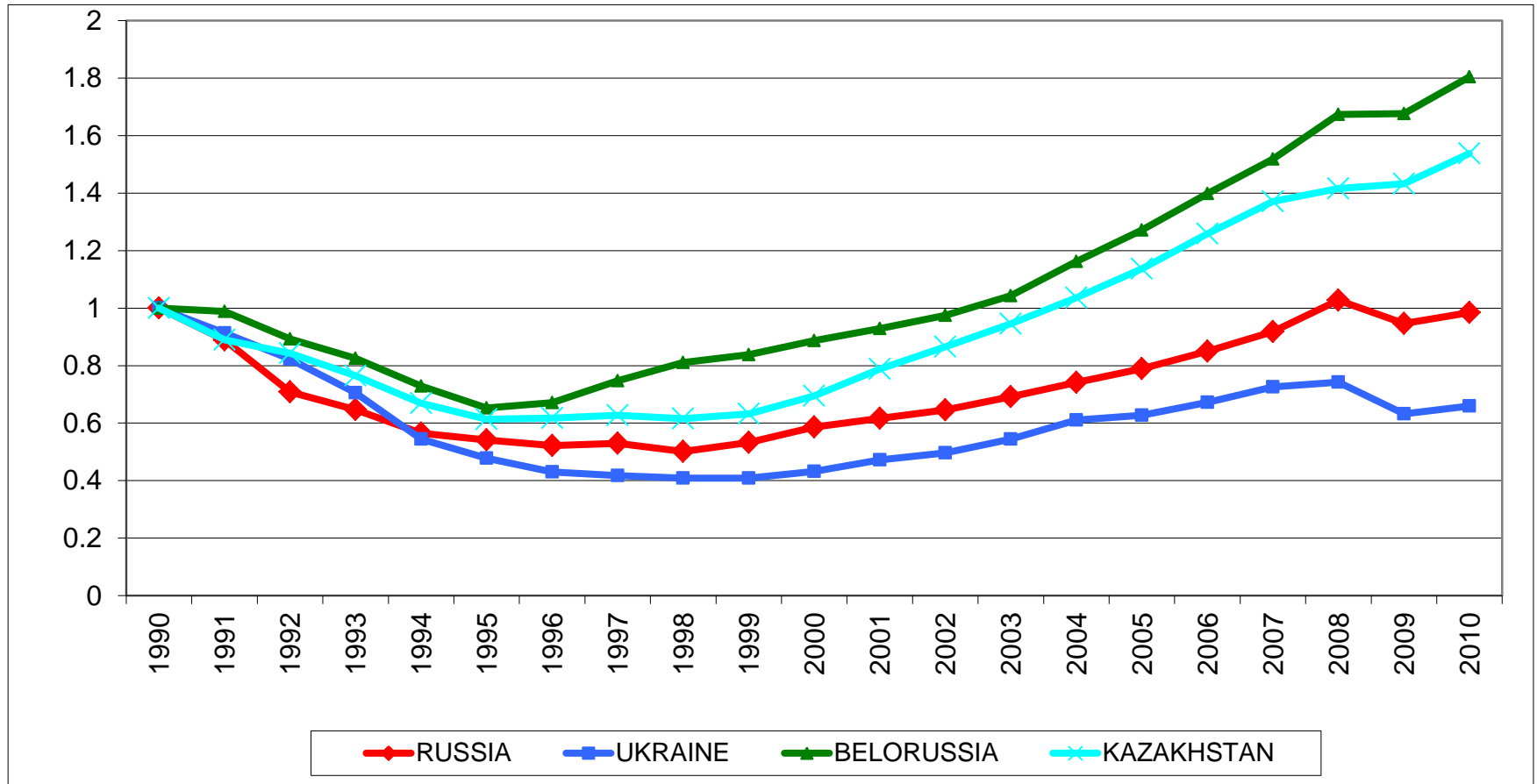
In the first stage export provided about 50% of GDP

In the second stage only 17% of GDP

The main factors of the economic growth were investment and consumer demand

Average growth rates (1999-2008) – 6.8%

# 20 years of post-soviet era (1990=1)



Russia overcame the recession after the collapse of the USSR. But it took 20 years.

# Main risks

- Reducing of the population at working age
- Import
- Infrastructure
- Growth of capital intensity
- Burden on the budget
- State of the credit system

## Scenario parameters

	2010	2015	2020	2025	2030
Oil prices Urals , \$/bar.	78	106	117	129	143
World GDP growth, in %	4.1	3.9	3.7	3.5	3.4
Exchange rate , Rub/\$	30.4	31.9	38.6	46.2	53.8
CPI, %	8.60	5.90	4.60	3.91	3.50
Population, mln.	142.9	143.2	142.8	141.8	140.2
Population in working age, mln.	87.9	83.0	78.7	77.1	76.6

## Key parameters of scenario

	2006-2010	2011-2015	2016-2020	2021-2025	2026-2030
GDP					
<i>internal-investment</i>	2.3	6.2	7.0	4.3	3.6
<i>inertial</i>		4.0	3.1	2.5	2.1
	2010	2015	2020	2025	2030
LABOR PRODUKTIVITY (2010 r.=1)					
<i>internal-investment</i>	1	1.44	2.01	2.40	2.76
<i>inertial</i>		1.33	1.62	1.83	2.00
ENERGY INTENCITY (2010 r. = 1)					
<i>internal-investment</i>	1	0.81	0.66	0.57	0.49
<i>inertial</i>		0.84	0.73	0.64	0.57
INVESTMENT IN GDP, %					
<i>internal-investment</i>	21.7	25.9	35.0	31.2	28.9
<i>inertial</i>		23.0	24.8	25.7	25.5
IMPORT IN DOMESTIC MARKET, B %					
<i>internal-investment</i>	15.4	16.1	15.9	14.8	14.4
<i>inertial</i>		16.8	17.9	18.9	19.8
GDP PER CAPITA, current prices					
<i>internal-investment</i>	10.5	17.6	24.4	32.4	54.0
<i>inertial</i>		16.9	21.2	26.1	36.0



# INTERNAL-INVESTMENT SCENARIO

## Dynamic in % for periods

	2011-2015	2016-2020	2021-2025	2026-2030	2011-2030
HOUSEHOLDS CONSUMPTION	7.5	7.5	4.5	3.8	5.6
GOVERNMENT CONSUMPTION	3.1	3.2	2.0	1.6	2.4
FIXED CAPITAL INVESTMENT	10.3	11.6	3.8	3.1	6.1
EXPORT	1.4	2.7	4.3	4.2	2.9
IMPORT	5.9	6.6	3.1	3.1	4.4
GDP	6.2	7.0	4.3	3.6	5.1

## Structure of GDP dynamic

	2011-2015	2016-2020	2021-2025	2026-2030	2011-2030
HOUSEHOLDS CONSUMPTION	4.3	4.5	2.8	2.4	3.3
GOVERNMENT CONSUMPTION	0.5	0.5	0.3	0.2	0.3
FIXED CAPITAL INVESTMENT	2.6	3.6	1.3	1.1	2.0
INVENTORY	-0.1	-0.5	-0.3	-0.3	-0.3
EXPORT	0.5	0.8	1.1	1.1	0.9
IMPORT	-1.7	-1.9	-0.8	-0.8	-1.2
GDP	6.2	7.0	4.3	3.6	5.1

## STRUCTURE OF GROSS OUTPUT

	2010	2015	2020	2025	2030
AGRICULTURE	4.2	4.0	3.2	2.7	2.3
OIL, GAS AND MINING	7.7	6.4	5.0	4.2	3.5
HI-TECH INDUSTRY	1.2	1.4	1.8	3.2	4.5
MID-TECH INDUSTRY (HIGH LEVEL)	7.3	8.6	10.4	10.7	12.0
MID-TECH INDUSTRY (LOW LEVEL)	10.3	9.1	7.9	7.2	6.8
LOW-TECH INDUSTRY	9.4	9.2	8.7	8.5	8.5
POWER	4.8	4.7	4.6	4.4	4.2
COSTRUCTION	6.7	7.7	9.1	9.0	8.7
TRADE	15.7	15.7	15.5	15.4	15.6
HOTELS AND RESTAURANTS	1.0	1.2	1.4	1.6	1.7
TRANSPORT	7.6	7.1	6.5	6.0	5.6
COMMUNICATIONS	1.1	1.4	1.4	1.5	1.5
FINANCE AND INSURANCE	2.8	2.8	3.3	4.1	4.2
REAL ESTATE	6.6	7.4	8.4	8.8	9.0
RESEARCH AND DEVELOPMENT	1.3	1.5	1.7	1.8	2.0
OTHER BUSINESS SERVISSES	0.2	0.2	0.2	0.2	0.2
GOVERNMENT SERVICES	5.4	5.3	5.0	4.9	5.0
EDUCATIONS	2.0	1.9	1.7	1.7	1.6
HEALTH	2.9	2.8	2.7	2.6	2.6
OTHER SOCIAL SERVICES	1.8	1.8	1.6	1.6	1.5
TOTAL OUTPUT	100.0	100.0	100.0	100.0	100.0

<b>EMPLOYMENT, mln.</b>	2010	2015	2020	2025	2030
AGRICULTURE	6.8	5.6	4.4	3.5	2.8
OIL, GAS AND MINING	1.2	1.2	1.2	1.2	1.2
HI-TECH INDUSTRY	0.3	0.3	0.3	0.3	0.4
MID-TECH INDUSTRY (HIGH LEVEL)	3.9	3.3	3.3	3.5	3.8
MID-TECH INDUSTRY (LOW LEVEL)	2.9	2.5	2.5	2.5	2.6
LOW-TECH INDUSTRY	3.5	3.2	3.2	3.3	3.5
POWER	2.1	2.2	2.4	2.5	2.5
COSTRUCTION	5.3	5.8	6.7	7.0	7.3
TRADE	11.9	8.4	7.0	7.4	7.9
HOTELS AND RESTAURANTS	1.3	1.4	1.7	1.8	2.0
TRANSPORT	4.5	4.6	5.0	5.1	5.2
COMMUNICATIONS	1.2	1.4	1.5	1.6	1.7
FINANCE AND INSURANCE	1.2	1.2	1.3	1.3	1.4
REAL ESTATE	1.7	1.8	2.1	2.3	2.4
RESEARCH AND DEVELOPMENT	1.0	1.1	1.2	1.3	1.5
OTHER BUSINESS SERVISSES	2.3	2.4	2.7	2.9	3.1
<b>GOVERNMENT SERVICES</b>	3.7	3.4	3.3	3.2	3.1
EDUCATIONS	5.6	5.4	5.3	5.2	5.0
HEALTH	4.3	4.6	4.9	5.2	5.5
OTHER SOCIAL SERVICES	3.0	3.2	3.4	3.6	3.7
<b>TOTAL</b>	<b>67.6</b>	<b>63.1</b>	<b>63.4</b>	<b>64.9</b>	<b>66.6</b>