

Mr. Alexander Murychev

**Executive Vice-President of the Russian Union
of Industrialists and Entrepreneurs**



According to the Bank for International Settlements assessments, in 2015-2016 a volume of Russia`s gold and foreign currency reserves decreased by USD19 billion, in Middle East countries – by USD228 billion.

Overall debt of nonfinancial private sector in Russia accounts for 68% of GDP, in developing economies – 107%, in developed economies – 195%, on average in the world –138%.

In 2017 Russia moved up to 35th place in the World Bank Doing Business rating (from 40th place last year and 124th 6 years ago).

According to the Federal State Statistics Service, Russian GDP increased by 1.8% in the Q3 2017.

In Q2 2017 Russian economy grew by 2.5% on a year-to-year basis.

Forecasts:

- Russian Government: in 2017 GDP growth was 2.2%; the Central Bank of the Russian Federation: 1.7-2.2%.

- European Commission: about 1.7% in 2017, about 1.6% in 2018 and 1.5% in 2019.

- European Bank for Reconstruction and Development: - about 1.8% in 2017 and 1.7% in 2018.

Annual inflation in the Russian Federation is still lower than the Central Bank`s target of 4% (by the end of the year). For 10 months of 2017 consumer prices in the country grew by 1.9% (in comparison with December 2016).

In January-September 2017 fixed capital expenditure in Russia amounted to RUB 9.682 trillion - 4.2% increase in comparison with the last year.

Business climate in Russia

Recently some positive trends have been observed that should be strengthened to promote sustainably high growth rates:

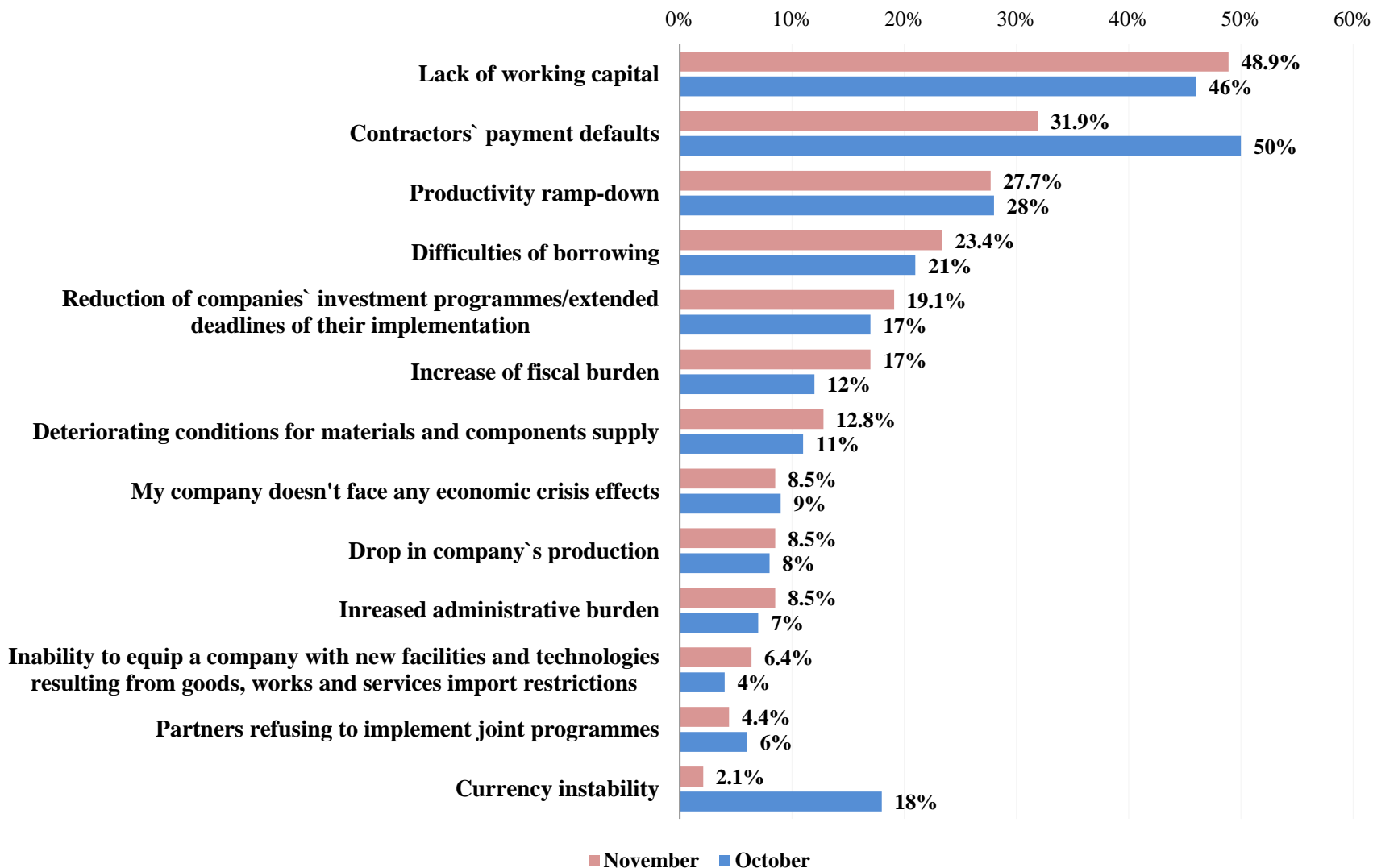
- Many business climate indicators are improving
- Management quality at regional level is improved

But additional work is needed to:

- Increase predictability
- Fix fiscal burden at the level corresponding with country's economic growth objectives
- Improve availability of financing
- Address deficiency of personnel, including skilled workforce and engineers
- *Professional standards have been elaborated in Russia, that helped to modernize more than 440 federal state educational standards of higher education and 174 federal state educational standards of vocational secondary education. 140 centers of qualifications assessment have been created.*

What restrictions associated with the Russian economy affect your company's activities more badly?

October – November 2017



Institutional characteristics of the banking sector

Quantitative characteristics of credit institutions in Russia

Indicator	1.01.16	1.01.17	1.07.17	1.10.17	1.11.17
Number of credit institutions registered by the Central Bank of Russia or authorized registrars	1021	975	943	931	927
Operating credit institutions (credit institutions authorized to implement banking transactions)	733	623	589	574	572
Credit institutions that have been registered by the Bank of Russia but have not yet paid up authorized capital and have not been granted license (within the period established by legislation)	0	1	0	0	0
Credit institutions with withdrawn (cancelled) banking license	288	351	354	357	355
Credit institutions with licenses to implement operations in foreign currency	482	404	379	367	365
Credit institutions with general licenses	232	205	196	193	193