



Strengthening Economic Policy Frameworks

Key Challenges for Russia

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Overview

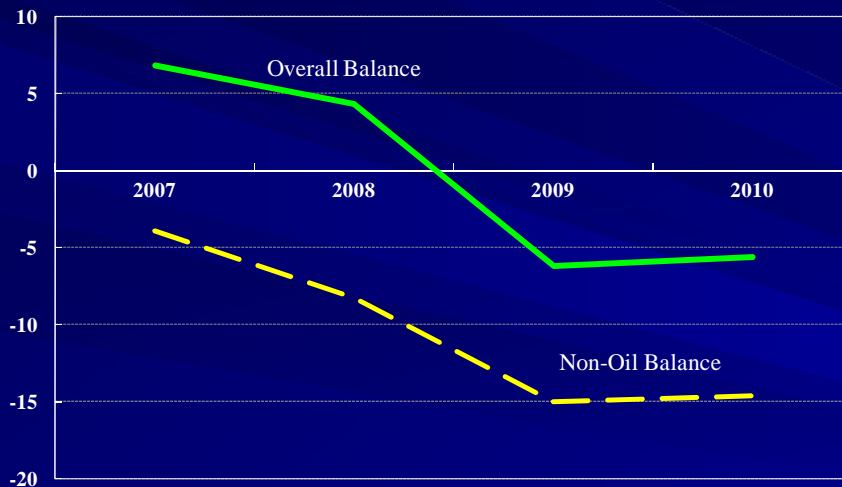
- The government's crisis response
- Economic policy lessons from the crisis
- The role of macroeconomic policy frameworks
 - ✓ Budget framework
 - ✓ Monetary policy framework
 - ✓ Financial supervision framework
 - ✓ "Investment environment"
- The macroeconomic outlook

The Crisis Response

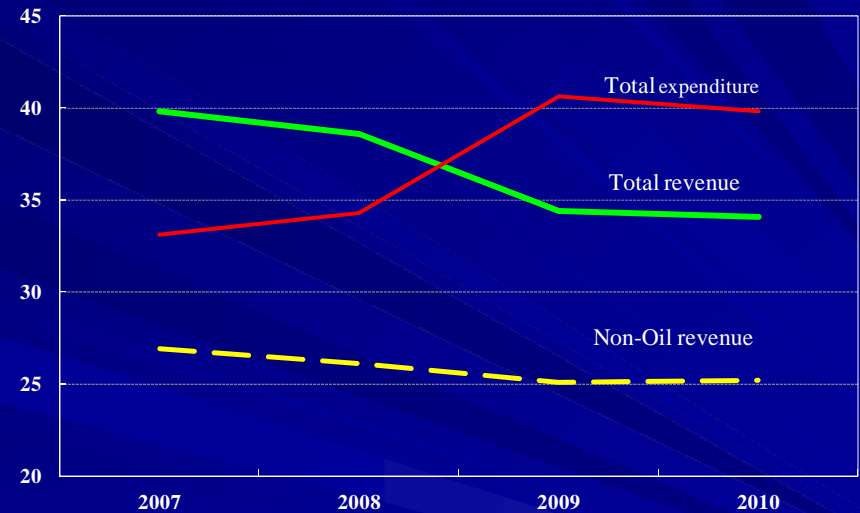
- Fiscal policy
 - ✓ Major fiscal easing
- Monetary and exchange rate policy
 - ✓ Accommodating stance
- Banking and financial sector policies
 - ✓ Forbearance and large-scale liquidity support

Fiscal Policy Indicators

Balance of General Government
(in percent of GDP)



Revenue and Expenditure of General Government
(in percent of GDP)



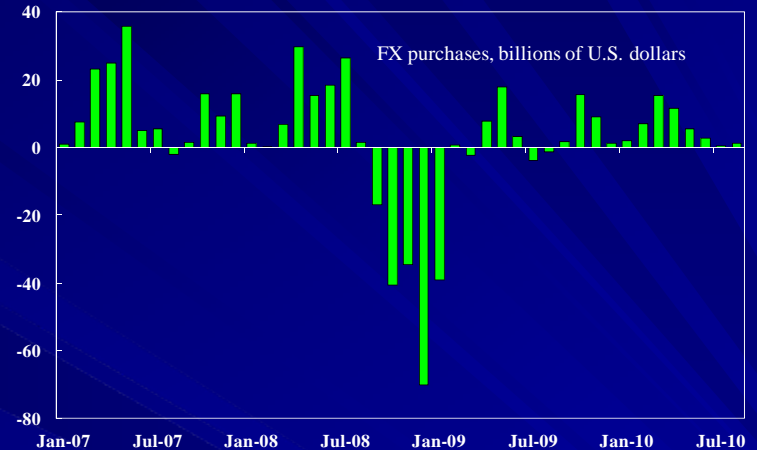
Source: Federal Treasury data and IMF staff calculations

Monetary Policy Indicators

Rub to US Dollar and Euro Basket Exchange Rate



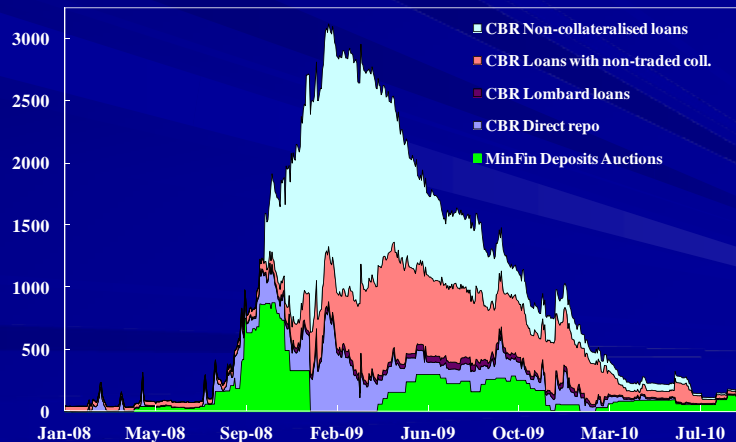
FX Interventions



Overnight Interbank Rates and CBR Standing Facilities
(percent, weekly average)

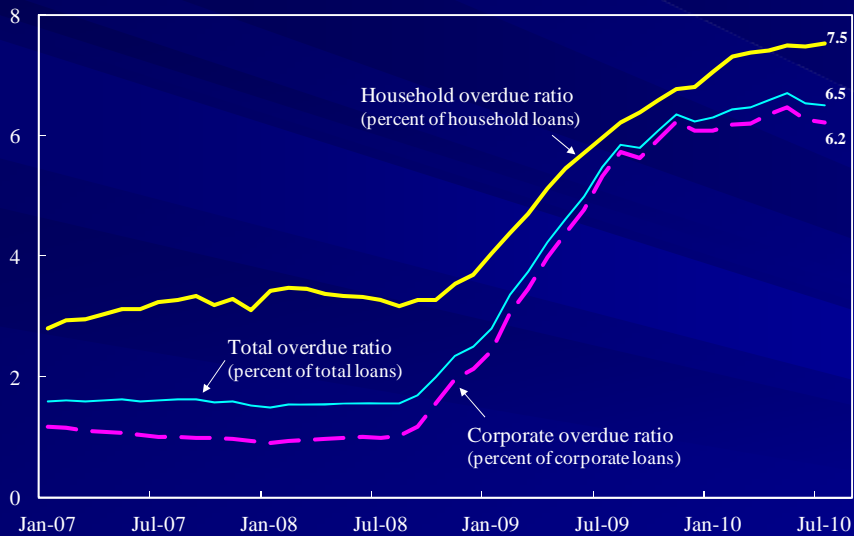


Central Bank Liquidity Provision, in Rub billion

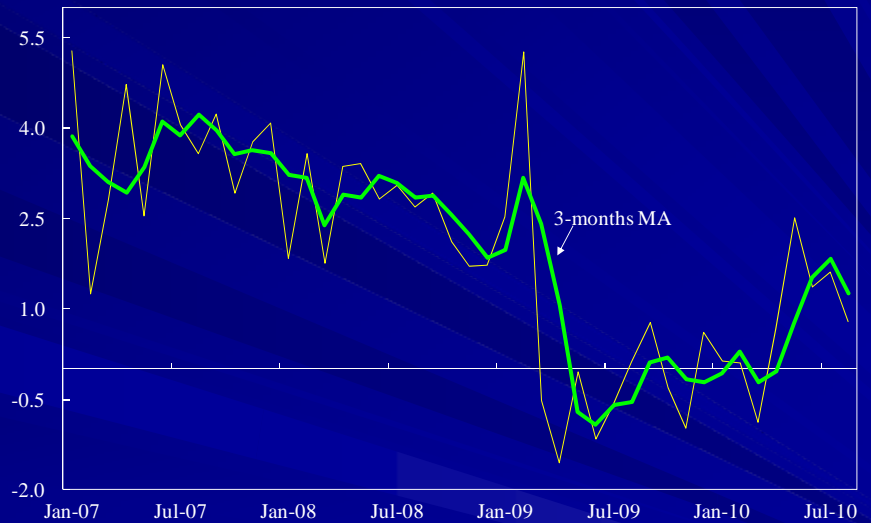


Banking Sector Indicators

Overdue Loans

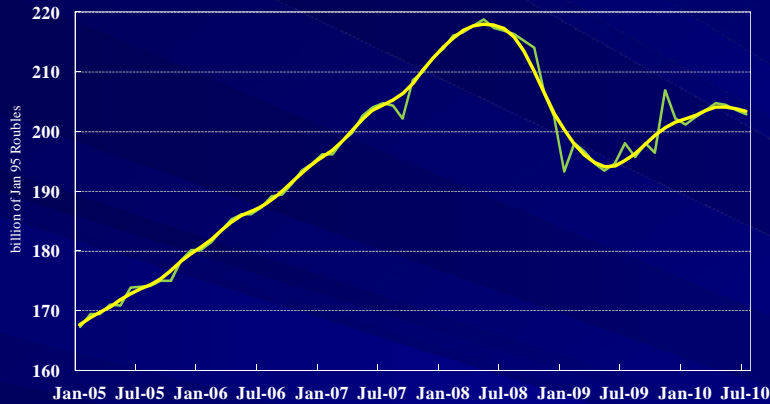


Bank Credit (change over previous month, in percent)



Macroeconomic Developments

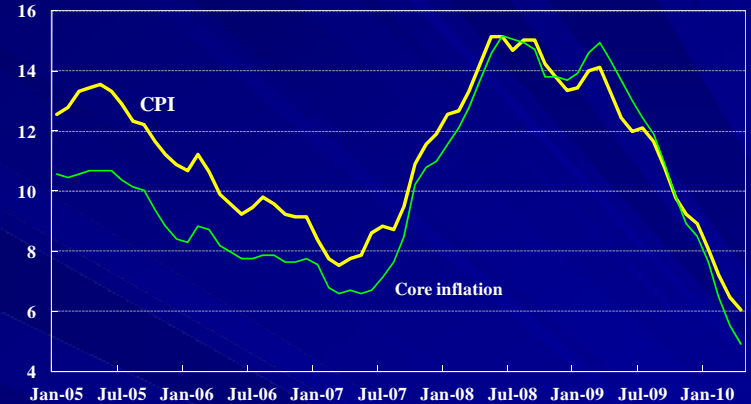
Real GDP



Note: seasonally adjusted and trend.
Source: IMF Moscow Office calculations based on MED data.

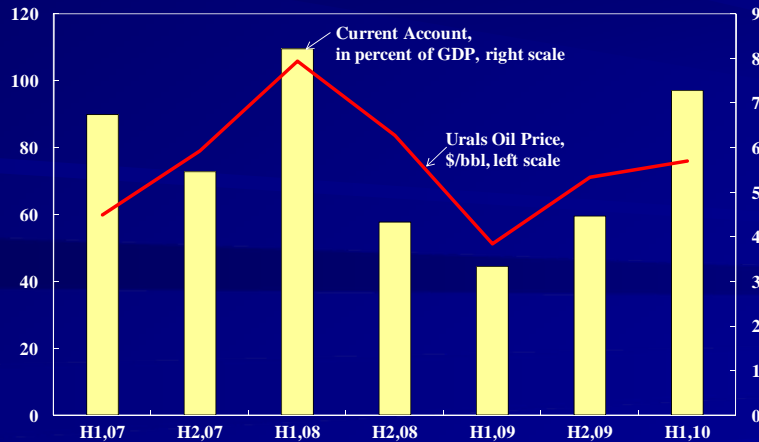
Consumer Price Inflation

(year-on-year growth, in percent)



Source: Rosstat and IMF Moscow Office calculations based on Rosstat data

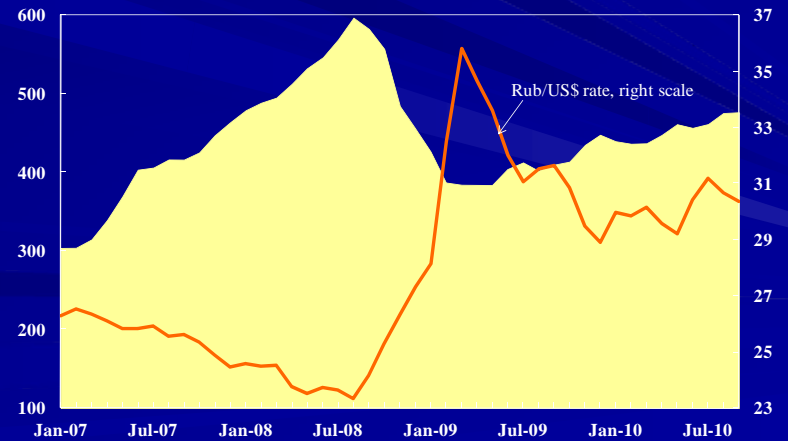
Current Account and Oil Price



Source: IMF Moscow Office calculations based on CBR data

International Reserves

(in billions of U.S. dollars)



Source: CBR data

The Role of Macroeconomic Policy Frameworks

- Budget framework
 - ✓ Fiscal anchor/rules
 - ✓ Fiscal institutions

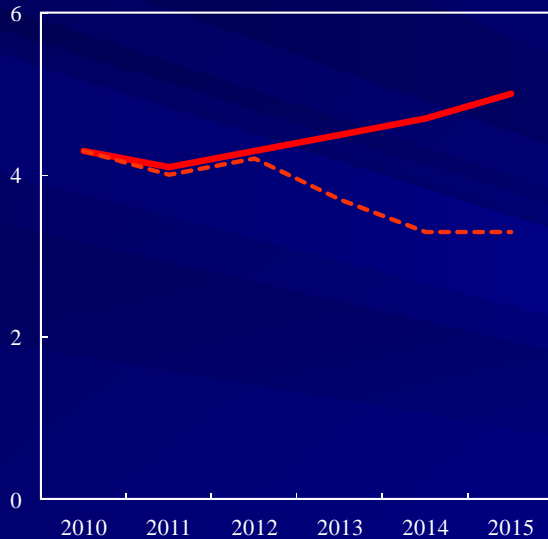
- Monetary policy framework
 - ✓ Formal inflation targeting
 - ✓ Supporting policies

- Financial supervision framework
 - ✓ Priorities for stability and credit recovery
 - ✓ Longer-term priorities

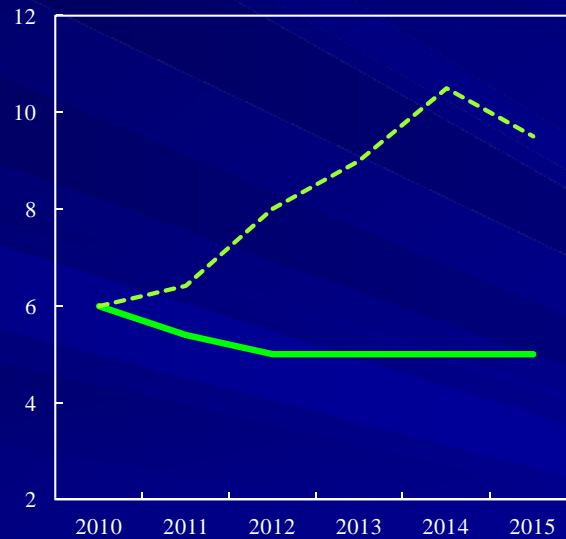
- “Investment environment”

Macroeconomic Scenarios

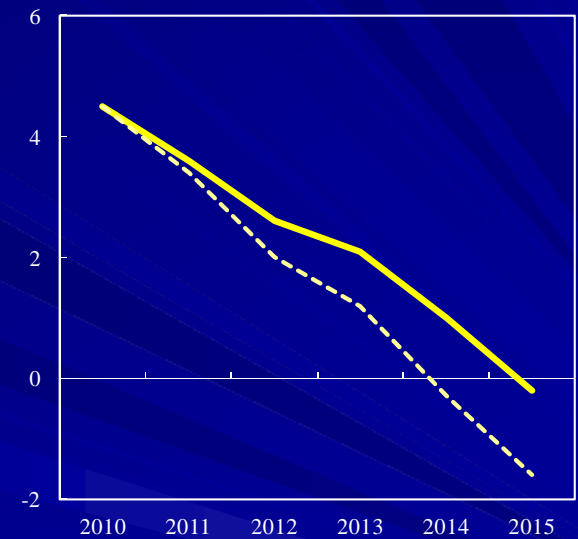
GDP Growth
(percent)



Consumer Price Inflation
(percent)



Current Account Balance
(percent of GDP)



Legend: Solid lines - with reforms; dotted lines - under unchanged policies

Thank you