



## World Bank Russia Economic Report April 2016: The Long Journey to Recovery

World Bank Lead Economist and Program Leader Birgit Hansl will present the main findings of the Russia Economic Report (RER). This semi-annual World Bank publication synthesizes recent trends on key economic indicators, provides the World Bank economic outlook for Russia for 2016-18, and analyzes strategic policy issues.

As a result of the difficult economic adjustment to the twin shocks of a steep oil price decline and start of the sanctions regime in 2014, Russia's economy went through a deep recession, which peaked in the second quarter of 2015. Following a brief rally early in the year, a further decline in global oil prices in August 2015 derailed an anticipated recovery, and real GDP contracted by a total of 3.7 percent over the year.

The Russian economy is projected to face a long journey to recovery. The conditions that pushed Russia's economy into recession show slow signs of abating, and the World Bank's current baseline scenario anticipates another year of negative growth of 1.9 percent in 2016. In 2017 GDP growth is projected to return to a positive, albeit modest, growth rate of 1.1 percent.

The ruble depreciation has created a rare opportunity to enhance the competitiveness of Russia's non-resource economy and there is renewed attention to Russia's longstanding policy discussion on export diversification and expansion into nontraditional markets. But Russia still faces serious structural constraints and historical challenges on its export competitiveness which might be difficult to overcome quickly.