



Recent News Items on Russia

J.P. Morgan raises forecast for Russia's GDP

J.P. Morgan has adjusted its 2016 forecast for GDP in Russia from a decline of 1.5% to a 0.8% decline. Experts say the improved outlook is due to the bank's revised forecast for the oil price - the bank now expects an average price of \$38 per barrel compared to its earlier forecast of \$33. The bank has also revised its outlook for the exchange rate - 70.8 rubles to the dollar in Q1 and 64.6 in Q4. Previously, the bank forecast 73.2 and 70.3 in Q1 and Q4 respectively.

Source: AmCham Russia News, March 24, 2016

Alexey Ulyukaev forecasts economic recovery in 2017

According to Minister of Economic Development Alexey Ulyukaev, the Russian economy may see growth as early as Q2 this year. The ministry hopes for slight GDP growth of 0.7% in 2016. Ministry experts expect increased investment in 2017 that will create stable GDP growth of 1.5-2.5% per year. Mr. Ulyukaev noted that the Russian economy has completely adjusted to the sanction regime, and as a result it doesn't matter whether the sanctions are lifted this year or in ten year time. He also reported that the second oil shock had a lesser impact on the Russian economy than the first.

Source: AmCham Russia News, March 17, 2016

1st AmCham St. Petersburg Business Fair held

On March 15, AmCham St. Petersburg held its 1st Business Fair, providing a forum for suppliers across different sectors to meet with potential large international customers. The event was organized in the form of 10-minute one-on-one meetings.

The Business Fair featured around 200 meetings and representatives of 80 companies. Suppliers presented their goods, services and business solutions. Among "buyer" companies participating in the event were Ariston Thermo Rus, Toyota Motor, Caterpillar Tosno, Hyundai Motor Manufacturing Rus, Ilim Group, Jacobs Rus, JTI, Knauf Petroboard, MM Polygrafoformlenie Packaging, Philip Morris Izhora, and Wrigley.

Source: AmCham Russia News, March 16, 2016

Russia Central Bank: Economy Adapts To External Conditions in Q1

The Russian economy adapted better to falling oil prices in the first quarter than it did last year, the central bank said on Tuesday. The central bank said in a statement reviewing Russia's economic performance that the annualized decline in gross domestic product was estimated at 1.7-2.0 percent between January and March. It added that the situation on the labor market remained stable.

Source: <http://www.reuters.com/article/russia-economy-cenbank-idUSR4N16V02J?rpc=401>

American Consulate General - St. Petersburg, Russia

Russia not to raise taxes until 2018

MOSCOW, March 29 (Xinhua) -- Russian Prime Minister Dmitry Medvedev said on Monday that the government won't raise taxes in the current economic situation. "We believe that we can manage the current financial situation without raising the tax system," the prime minister said, pointing to the existence of reserves in the current system and the need to ensure its stability.

He also noted that today the government is committed to the principle of tax stability, but it doesn't mean it will last forever, Russian news agency TASS reported.

"It's exact that in several years we will have new realities, and I hope that the crisis will be over, so we will have to take other effective decisions," Medvedev added.

Since 2014, the Russian economy has been facing economic difficulties due to the Western sanctions against Russia and the drop in oil prices.

Source: http://news.xinhuanet.com/english/2016-03/29/c_135233370.htm?

Russia Econ Min Ulyukayev: Selling Pressure On Ruble To Ease

MOSCOW--The Russian ruble has room to strengthen this year on a likely higher average oil price of around \$40 a barrel, paving the way for economic recovery, Russia's economy minister said Thursday.

Latest economic indicators suggest the Russian economy is performing better than expected despite a continued decline in investment, Alexei Ulyukayev said.

Smaller capital outflows, unlikely to exceed \$35 billion this year, should underpin ruble gains, helped by the likely recovery in crude prices, he said.

The government's budget would likely be based on a \$40-a-barrel oil, Mr. Ulyukayev said, a shift from the previous assumption of \$50 a barrel.

Mr. Ulyukayev also said that inflation will slow this year, with prices rising by less 8% by the end of the year. This should give the central bank room to cut interest rates, said Mr.

Ulyukayev, himself a former first deputy chairman at the Bank of Russia.

Source: <http://www.nasdaq.com/article/russia-econ-min-ulyukayev-selling-pressure-on-ruble-to-ease-20160324-00074?>

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