Russian Presidential Candidates Approval Rating, %, 2018

Source: VCIOM
• A change in economic strategy
• A return to economic sovereignty in Russia
• A return to credit use in the economy
• Further industrialization and modernization of the economy
• Price controls for basic products and essential goods, along with utility tariffs
• A return to free education and medical care
• A return to soviet style democracy and “people's representation”
• No one will be unemployed, homeless or hungry
• Passports will be issued to all ethnic Russians, including those abroad
• Advocates rapid development of the road networks and trains that travel 400 km/h
• Wants to deliver a powerful blow to crime and create military courts; cancel moratorium on death penalty
• Remove the President’s Residence from the Kremlin
• Would not allow more than 10% of negative information to be broadcast
• Would abolish the Federal Council
• Wants to limit the number of immigrants coming to Russia
- Stop the aggressive confrontations and the war against Ukraine
- Accept and implement strictly plans for a phased withdrawal of Russian troops from Syria
- Normalize diplomatic, economic and military relations with the European Union and the United States
- Improve political and public life within the country
- Ensure the inviolability of private property
- Legitimize large private property ownership acquired through collateral auctions by using a system of windfall tax and compensation payments
- Provide a basic income to citizens by opening nominal accounts, created out of funds received from the export of natural resources
• All large state corporations should be privatized with antitrust restrictions
• State's share in enterprises and industries should be limited to broken up monopolies
• Private property should be protected by law
• Consideration of ownership and nationalization should be possible only on a reimbursable basis with independent market valuations
• Reform of taxation, along with regulatory legislation and practices, should stimulate private entrepreneurship, technological and innovative enterprises
• The list of licensed branches of the economy should be significantly reduced
Main objective of the new economic policy is to *move away from macroeconomic stabilization*

Goal: to double or even triple GDP by 2035;

Solutions: shift to a moderate monetary polity (Quantitative Easing as an option for Russia)

Provide a stable exchange rate

Set a threshold of budget deficit equal to 3 percent of GDP, and a government debt limit to 35% of GDP (12.6% in 2017)

Introduce separate elements of “smooth” exchange controls, including a limit to the foreign exchange positions of banks

Mr. Titov continues to believe that CBR wrongly combats a non-monetary inflation through monetary means

Source: Strategy of Growth
Inflation Rate, Average Consumer Prices, % 2014-2020

* Projections
Sources: IMF & World Bank
• Organize a state as a platform
• Create new transitional institutions
• Rely on a technological revolution
• Double non-primary exports
• Decrease state share in the economy
• Invest heavily in human development
• Implement a pension reform
• Work with new regional and city policies
• Maintain low inflation
• Carry out judicial reforms
• Adjust foreign policy to the needs of economic growth
• Move towards accountable political systems with checks and balances, real competition and reduction of paternalistic arrangements
Targets:

- Raise output up to 30% by 2024
- Sustain real GDP growth at 3.68% annually
- Increase income per person by 25%
- Reduce poverty by 25%
- Raise life expectancy by an average of 78 years (was 72.5 years overall in 2017, and 67.5 years for men)

Realize the planning and implementation of a national development strategy through the Center for Efficient Management, headed by the First Deputy Prime-Minister
Real GDP Growth, % Change over Previous Year 2014-2020

* Projections
Sources: IMF & World Bank
Industrial Production Growth, YoY, % 2014-2017

Sources: IMF & World Bank
## RUSSIA, ECONOMIC GROWTH, % 2017-2022

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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</thead>
<tbody>
<tr>
<td><strong>GDP</strong></td>
<td>1.8</td>
<td>1.7</td>
<td>1.8</td>
<td>1.6</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Pvt. cons.</strong></td>
<td>3.5</td>
<td>3.8</td>
<td>3.0</td>
<td>2.7</td>
<td>3.7</td>
<td>3.4</td>
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<tr>
<td><strong>Gov. cons.</strong></td>
<td>-0.1</td>
<td>0.1</td>
<td>-0.5</td>
<td>0.4</td>
<td>0.3</td>
<td>0.1</td>
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<tr>
<td><strong>Gross fixed invest.</strong></td>
<td>3.9</td>
<td>3.2</td>
<td>1.5</td>
<td>1.8</td>
<td>2.0</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td>4.9</td>
<td>2.7</td>
<td>3.4</td>
<td>1.9</td>
<td>4.4</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Import</strong></td>
<td>12.6</td>
<td>3.2</td>
<td>4.2</td>
<td>3.2</td>
<td>8.6</td>
<td>2.2</td>
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<tr>
<td><strong>Dom. dem.</strong></td>
<td>4.1</td>
<td>2.5</td>
<td>1.1</td>
<td>3.2</td>
<td>3.7</td>
<td>1.3</td>
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<tr>
<td><strong>Agriculture</strong></td>
<td>2.0</td>
<td>1.5</td>
<td>1.7</td>
<td>1.5</td>
<td>1.7</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>3.0</td>
<td>1.1</td>
<td>1.3</td>
<td>1.5</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>1.2</td>
<td>2.1</td>
<td>2.1</td>
<td>1.7</td>
<td>1.8</td>
<td>1.9</td>
</tr>
</tbody>
</table>

*Source: Economist Intelligence Unit*
OIL SUPPLY
TOTAL LIQUID PRODUCTION (‘000 b/d)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production ('000 b/d)</th>
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<tr>
<td>2015</td>
<td>10,700.00</td>
</tr>
<tr>
<td>2016</td>
<td>10,800.00</td>
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<tr>
<td>2017</td>
<td>10,900.00</td>
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<tr>
<td>2018*</td>
<td>11,000.00</td>
</tr>
<tr>
<td>2019*</td>
<td>11,100.00</td>
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<tr>
<td>2020*</td>
<td>11,200.00</td>
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<tr>
<td>2021*</td>
<td>11,300.00</td>
</tr>
<tr>
<td>2022*</td>
<td>11,400.00</td>
</tr>
</tbody>
</table>

* Projections
Sources: BP & EIA
NATURAL GAS SUPPLY
(kilotonne of oil equivalent)

Sources: EIA & BP
Main Sources of Revenue, %

- Oil & Gas: 50%
- VAT (Domestic): 21%
- VAT (Imports): 15%
- Import Duties: 5%
- Excise Tax: 5%
- Profit Tax: 4%

Source: Ministry of Finance of Russia
Main Areas of Expenditure, %

- Social Policy: 31%
- Defence: 24%
- National Economy: 17%
- Law and Order: 15%
- State Administration: 8%
- Transfers to Regional Budgets: 5%

Source: Ministry of Finance of Russia
Advanced Economies: Debt Developments, % of GDP 2008-2019

- Oil price record high in 2011-2012 (more than 111 $US per barrel)
- Global Financial Crisis
- Oil Prices Crashed Ukrainian Crisis
- Sanctions

- Russian Financial Crisis
- Oil price increased from 24.46 $US per barrel (2001) to 96.94 $US (2008)

Source: U.S. Census Bureau