



Bank of Russia



RUSSIA'S BALANCE OF PAYMENTS

No. 1 (18) • 2024 Q1

Information and analytical commentary

18 April 2024

RUSSIA'S BALANCE OF PAYMENTS (2024 Q1)¹

- In 2024 Q1, the current account surplus increased compared to 2023 Q1 amid a more significant drop in imports of goods and services than in exports and a decrease in the deficit of the primary and secondary income balance due to a reduction in the amount of dividends payable to non-residents.
- The value of exports continued to decrease in the conditions of foreign trade restrictions and lower global prices for natural gas, coal, and some metals. A reduction in the output of oil refineries also put downward pressure on exports. Nonetheless, exports were declining more slowly than over the same period of 2023 as a result of growth in oil prices. Exports were supported by a good harvest of grains and diversification of supplies.
- The value of imports decreased amid high interest rates, stocks accumulated in previous periods, and the depreciation of the ruble compared to the same period of 2023. Another reason for the contraction of imports was payment difficulties. Nevertheless, imports were supported by stronger domestic demand and refocusing on alternative suppliers.
- Net lending to the rest of the world increased. In contrast to the same quarter of 2023, it was driven mainly by the growth in foreign assets in 2024 Q1. The increase in foreign assets was partly associated with longer time lags in export payments. The decrease in foreign liabilities slowed down owing to a reduction in non-residents' withdrawals from Russian companies' capital.
- Russia's international reserves declined in 2024 Q1 mainly because of transactions with the resources of the National Wealth Fund (NWF).

Current account

In 2024 Q1, the current account surplus totalled \$22 billion, which is more both year-on-year (\$15 billion) and quarter-on-quarter (\$11 billion).

The increase was attributed to a more rapid decline in imports of goods and services (-10% YoY) compared to exports (-5% YoY). The growth in the current account surplus was also associated with the decrease in the deficit of the primary and secondary income balance. Compared to 2023 Q1, it contracted due to the reduction in dividends payable to non-residents and in personal money transfers abroad.

Goods and services exports

Goods exports. The value of exports of goods continued to lower in annualised terms amid falling global prices for natural gas, coal and some metals. Supplies were affected by reduced processing at oil refineries and foreign trade restrictions.

Nevertheless, the decrease in the value of exports of goods slowed down to 7% YoY in 2024 Q1 (vs -26% YoY in 2023 Q4). This was caused by a higher annual growth rate of oil prices and increased demand in the international market² amid expanding business activity worldwide. Exports were still supported by the good harvest of grains and rerouting of supplies from the European to the Asian market. According to the Federal Customs Service (FCS) of Russia, in January–February 2024, an increase in Russian exports to Asia by 10% YoY offset almost a half of the twofold reduction in

¹ The commentary on the balance of payments includes a preliminary estimate of its indicators in 2024 Q1.

² The press release from the World Trade Organization (WTO) says about the recovery of global trade in 2024 Q1 (the WTO Barometer [exceeded 100 points](#)). Furthermore, in its report, the WTO forecasts an increase in world merchandise trade by 2.6% in 2024 after a [1.2% decline in 2023](#).

exports to Europe. As a result, Asia's share in Russian exports of goods rose to 77% from 65% in January–February 2023, while Europe's share fell to 15% from 29%.³

Crude and petroleum products. The value of crude oil exports in 2024 Q1 was supported by the rise in oil prices YoY amid the oil production cuts agreed upon by the OPEC+ countries and elevated geopolitical risks in the Middle East. According to the World Bank, the Brent crude price went up by 2% YoY (vs -5% YoY in 2023 Q4) to \$83 per barrel on average in 2024 Q1.

Concurrently, downward pressure on export quantities of crude oil and petroleum products became more intense. Russia implemented an additional voluntary cut in oil exports compared to the level of May–June to 500,000 barrels per day (vs 300,000 barrels per day in 2023 Q4). In 2024 Q1, it was planned to reduce exports of crude oil and petroleum products by 300,000 and [200,000 barrels per day](#), respectively. The export quantities of petroleum products were contained by limited refinery capacities and a temporary ban on petrol exports from 1 March. It was imposed for six months to maintain a stable situation in the domestic market.⁴ Moreover, exports were affected by unfavourable weather conditions. In January, supplies were suspended due to a storm in the Black Sea. In February–March, sea transportation of Russian oil to other countries were gradually restored.

Natural gas and LNG. Global prices for natural gas fell by 38% YoY and 28% QoQ, while European prices for gas – by 48% YoY and 35% QoQ owing to quite large stocks. However, natural gas prices remained higher than the average of 2017–2021.⁵

As prices for natural gas were lower than last year, European countries increased the demand for Russian gas. In 2024 Q1, the quantities of pipeline gas supplies from Russia to Europe rose by 44% YoY but dropped by 5% QoQ.⁶ In early 2024, daily supplies to China via the Power of Siberia gas pipeline still exceeded the contractual obligations, again hitting new record highs.

[According to Kpler](#), Russian LNG exports grew by 4% YoY, mainly driven by the expansion of supplies to the EU and shipments from the Yamal LNG project.

Non-oil and gas exports⁷

In 2024 Q1, global prices for many Russian non-oil and gas exports declined YoY. Global prices for coal and some metals dropped⁸ because of subdued industrial activity and real estate problems in China, the largest consumer of metals and coal in the world. Fertilisers became cheaper following the decline in gas prices.⁹ Global grain prices decreased as well.¹⁰

The quantities of exports were affected by foreign trade restrictions. On 1 January 2024, the [ban imposed by the EU](#) and the G7 countries on the import of Russian diamonds came into force, and from 1 March – on the supply of Russian-origin diamonds cut and polished in third countries. Beginning on 10 March 2023, the United States imposed a [200% ad valorem tariff](#) on Russian aluminium articles and derivative aluminium articles. Coal exports from Russia were constrained because China reimposed the [import duties on coal](#) from early 2024. Russia continued to apply flexible export duties linked to the ruble exchange rate to many non-oil and gas export products. The export duty for fertilisers remained at 10%. In January, the export duty for other goods was 5.5%. Following the strengthening of the ruble in January, it dropped to 4.5% in February, but then returned to [5.5% in March](#).

³ The calculation is based on the publication of the FCS of Russia [Results of Foreign Trade With All Countries \(January–February 2024\)](#).

⁴ [Resolution of the Government of the Russian Federation No. 243, dated 29 February 2024](#).

⁵ The calculation is based on World Bank data.

⁶ According to the Bruegel think tank.

⁷ Exports of goods except for crude oil, petroleum products, natural gas, and LNG.

⁸ According to the World Bank, in 2024 Q1, prices for Australian coal fell by 47% YoY and 7% QoQ, for iron ore – by 2% YoY and 4% QoQ, and for nickel – by 36% YoY and 4% QoQ.

⁹ The World Bank's Fertiliser Price Index fell by 30% YoY and 20% QoQ.

¹⁰ The World Bank's Grain Price Index dropped by 18% YoY and 4% QoQ.

However, non-oil and gas exports were still supported by the good harvest of grains and the diversification of supplies.

Services exports. In 2024 Q1, the value of services exports was up by 12% YoY (vs -8% YoY in 2023 Q4). Nevertheless, the dynamics varied across types of services. Exports of construction services grew. Exports of transport and travel services stabilised. Contrastingly, exports of telecommunication, computer and information services continued to shrink due to Western countries' restrictions on Russian IT companies.

Goods and services imports

Goods imports. The value of imports of goods continued to decline (-10% YoY in 2024 Q1 vs -7% YoY in 2023 Q4) amid high interest rates, stocks accumulated in previous periods, and the depreciation of the ruble compared to the same period of 2023.¹¹ Imports could also be constrained by payment difficulties.

According to the FCS of Russia, imports from Asia to Russia increased by 4% YoY in January–February 2024, offsetting about a half of the reduction in imports from Europe (-18% YoY). As a result of the refocusing from the West to the East, Asia's share in Russian imports of goods went up to 68% from 63% in January–February 2023, whereas Europe's share declined to 26% from 30%.¹²

The dynamics of imports varied across product groups. In January–February 2024, the value of imported chemicals dropped by 17% YoY. Imports of food products and agricultural raw materials declined by 10% YoY amid the ongoing import substitution.¹³ Contrastingly, the value of imported machinery, equipment, vehicles and other goods rose by 5% YoY.¹⁴ This could be driven by, among other things, a significant quantity of imported cars in expectation of a rise in the recycling fee from 1 April due to the change in the [procedure for calculating](#) the customs duty on cars imported into Russia if customs clearance was done in the EAEU countries.

Services imports. In 2024 Q1, the value of imports of services declined by 10% YoY (vs -8% YoY in 2023 Q4), primarily due to a reduction in travel services imports. The latter was associated with, among other things, a decline in the number of Russian tourists travelling abroad. According to the Turkish Ministry of Culture and Tourism, the number of Russians who visited Turkey¹⁵ in January–February 2024 dropped by 15% YoY. The decrease was caused by higher prices for tours due to the ruble weakening and rising inflation in the host country. Contrastingly, as compared to 2023 Q1, imports of transport, telecommunication, computer and information services remained almost unchanged, and imports of construction services grew.

Financial account

The **financial account surplus** (excluding reserve assets) equalled \$26 billion in 2024 Q1, which is more relative to both 2023 Q1 (\$18 billion) and the previous quarter (\$14 billion).

In contrast to 2023 Q1, net lending to the rest of the world in 2024 Q1 was mainly driven by growth in foreign assets by \$23 billion.

¹¹ In 2024 Q1, the nominal exchange rate of the ruble against the US dollar dropped by 20% YoY, and the real effective exchange rate of the ruble – by 13% YoY.

¹² The calculation is based on the publication of the FCS of Russia [Results of Foreign Trade With All Countries \(January–February 2024\)](#).

¹³ According to Rosstat, Russia increased the output of many types of import-substituting foodstuffs, such as meat, fish, fruit and vegetables, in January–February 2024.

¹⁴ The calculation is based on the publication of the FCS of Russia [Results of Foreign Trade With All Countries \(January–February 2024\)](#).

¹⁵ According to data from the Border Service of the Federal Security Service of the Russian Federation, 44% of Russian tourists travelling abroad in 2023 visited Turkey.

The increase in foreign **assets** (excluding reserve assets) sped up both YoY (+\$6 billion) and QoQ (+\$5 billion). In 2024 Q1, this growth partially resulted from a rise in non-residents' foreign trade payables and increased time lags in the receipt of payments for exports.

The decrease in foreign **liabilities** slowed down to \$4 billion (vs -\$12 billion in 2023 Q1 and -\$9 billion in 2023 Q4). Among other reasons, this was because non-residents' withdrawal from Russian companies' capital was less significant.

Reserve assets decreased by \$7 billion in 2024 Q1 due to transactions reported in the balance of payments. The decline was mainly attributed to transactions with the NWF's assets. Another reason was a temporary rise in the limit on FX swaps at the end of March to smooth out the volatility of interest rates on foreign currency in the domestic money market. Over 2024 Q1, the level of international reserves dropped by \$8 billion, totalling \$590 billion as of 1 April 2024.

RUSSIA'S BALANCE OF PAYMENTS*
(\$ BILLIONS)

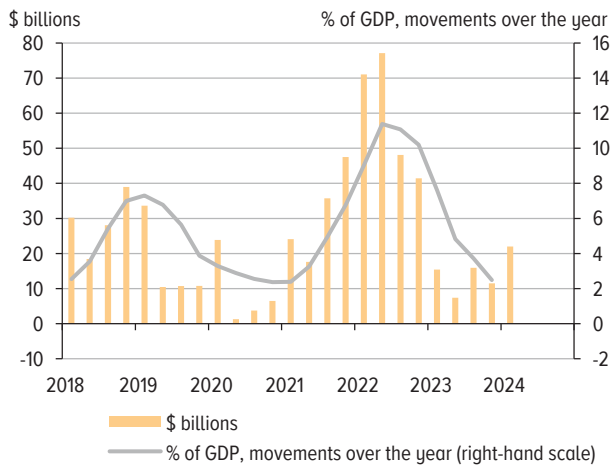
	2021					2022					2023					2024
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1**
Current account	24.1	17.6	35.7	47.5	125.0	71.0	77.1	48.1	41.4	237.7	15.4	7.4	15.9	11.5	50.2	22.0
Balance of trade	30.4	39.2	54.5	69.1	193.1	84.8	95.1	72.8	62.8	315.6	30.4	26.2	33.3	31.0	120.9	31.1
Exports	93.3	114.6	132.1	154.1	494.2	154.6	151.8	141.7	144.0	592.1	105.1	103.4	109.1	106.6	424.2	97.9
Imports	62.9	75.5	77.6	85.1	301.0	69.8	56.7	68.8	81.2	276.5	74.7	77.2	75.8	75.6	303.3	66.8
Balance of services	-3.0	-4.1	-6.9	-6.3	-20.3	-3.5	-3.6	-6.7	-8.4	-22.2	-7.6	-9.0	-9.7	-7.8	-34.1	-4.7
Exports	11.5	13.0	14.1	17.0	55.6	13.9	11.1	11.4	12.3	48.6	9.8	10.4	9.7	11.3	41.2	11.0
Imports	14.5	17.1	21.0	23.3	75.9	17.4	14.7	18.1	20.7	70.9	17.5	19.3	19.4	19.1	75.3	15.7
Balance of primary and secondary income	-3.3	-17.5	-11.9	-15.2	-47.8	-10.2	-14.4	-18.0	-13.0	-55.6	-7.4	-9.8	-7.7	-11.7	-36.6	-4.4
Capital account	0.2	0.0	0.0	0.0	0.1	0.0	-1.1	-1.9	-1.5	-4.6	-0.1	0.0	0.0	-1.3	-1.4	0.0
Current and capital account balance	24.3	17.6	35.7	47.5	125.1	71.0	75.9	46.2	39.9	233.1	15.4	7.3	15.9	10.2	48.8	22.0
Financial account balance, net of reserve assets	20.2	9.9	3.9	26.5	60.5	79.0	73.8	42.7	38.9	234.3	18.0	6.1	15.1	14.2	53.3	26.2
Net incurrence of liabilities	-1.9	5.5	38.0	2.3	43.9	-31.8	-51.4	-15.2	-25.5	-123.9	-11.7	4.8	8.2	-9.3	-8.1	-3.7
Net acquisition of financial assets, net of reserve assets	18.3	15.4	41.9	28.8	104.4	47.1	22.4	27.4	13.4	110.4	6.3	10.8	23.3	4.8	45.2	22.6
Change in reserve assets	3.7	8.5	29.6	21.7	63.5	-10.6	1.2	1.8	0.4	-7.3	-5.1	-1.4	-2.3	-1.2	-10.0	-6.9
Net errors and omissions	-0.4	0.8	-2.1	0.7	-1.0	-2.7	-1.0	-1.7	-0.7	-6.0	-2.4	-2.7	-3.1	2.7	-5.5	-2.7

* In the financial account, a surplus denotes net lending and a deficit denotes net borrowing. In assets and liabilities, '+' means growth and '-' means decline.

** Estimate.

CURRENT ACCOUNT

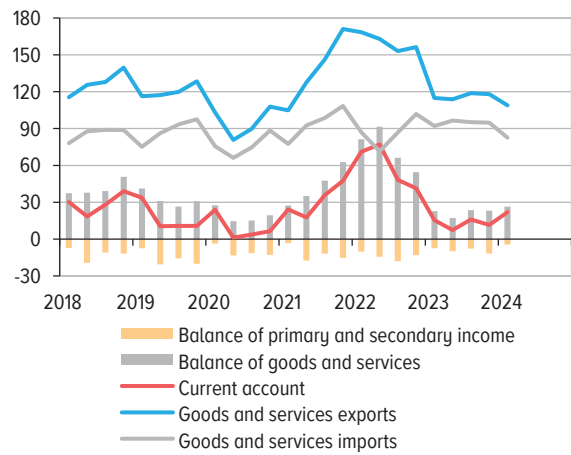
Chart 1



Sources: Bank of Russia, Rosstat.

CURRENT ACCOUNT COMPONENTS
(\$ BILLIONS)

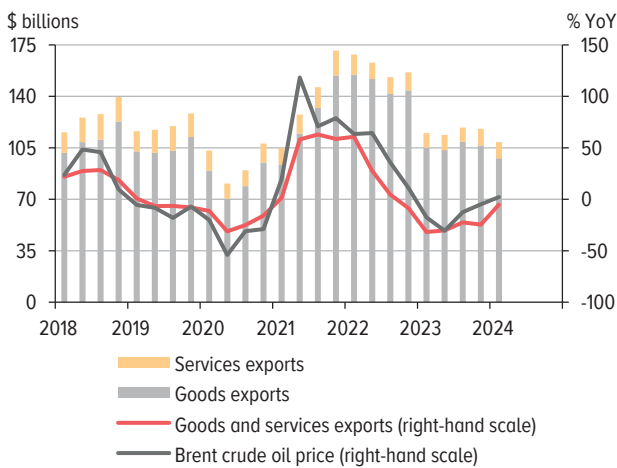
Chart 2



Source: Bank of Russia.

EXPORTS AND OIL PRICE

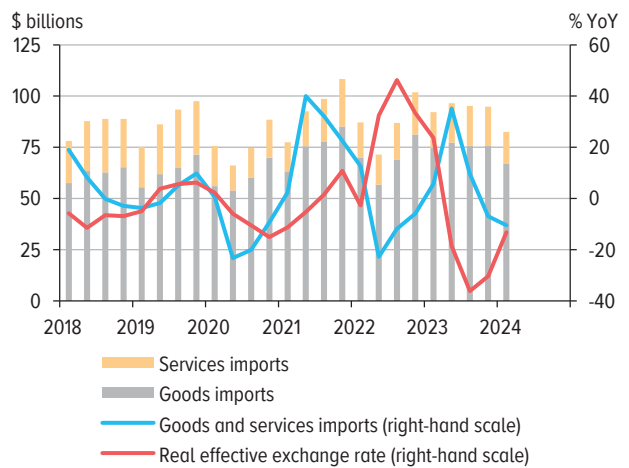
Chart 3



Sources: Bank of Russia, World Bank.

IMPORTS AND RUBLE EXCHANGE RATE

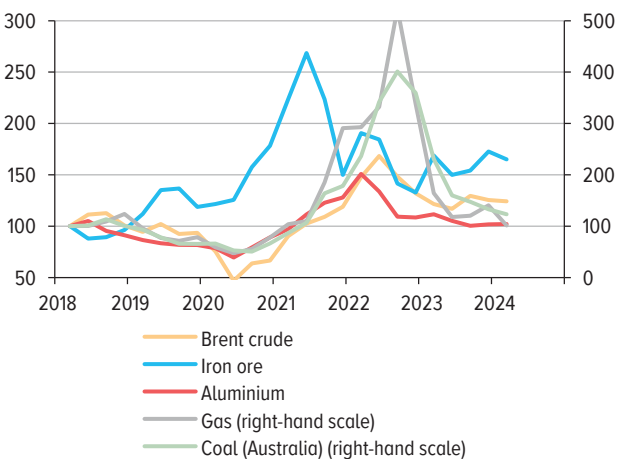
Chart 4



Source: Bank of Russia.

GLOBAL COMMODITY PRICES
(2018 Q1=100%)

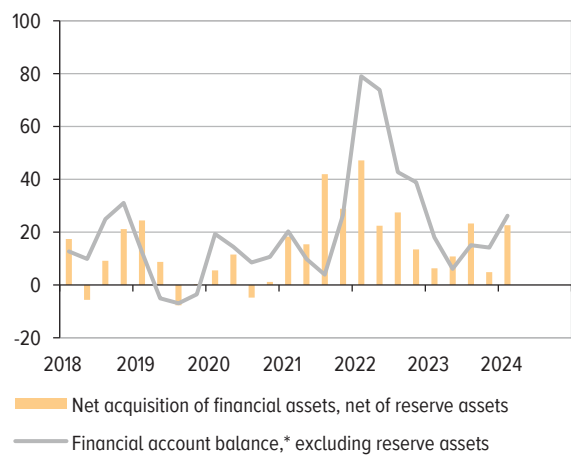
Chart 5



Source: World Bank.

FINANCIAL ACCOUNT COMPONENTS
(\$ BILLIONS)

Chart 6



* '+' denotes net lending and '-' denotes net borrowing.
Source: Bank of Russia.

The data cut-off date – 12.04.2024.

The electronic version of the [information and analytical commentary](#) is available on the Bank of Russia website.

Please send your comments and suggestions to svc_analysis@cbr.ru.

This commentary was prepared by the Monetary Policy Department.

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