CONTENTS

Russian Federation .............................................................................................................. 6
Key trends in Russian regions ............................................................................................. 7
Core economic indicators ................................................................................................... 8
Inflation in Russian regions ................................................................................................. 9
Bank of Russia Main Branch for the Central Federal District ........................................... 10
Bank of Russia North-Western Main Branch ................................................................. 12
Bank of Russia Volga-Vyatka Main Branch ..................................................................... 14
Bank of Russia Southern Main Branch ............................................................................. 16
Bank of Russia Ural Main Branch ...................................................................................... 18
Bank of Russia Siberian Main Branch .............................................................................. 20
Bank of Russia Far Eastern Main Branch .......................................................................... 22
Box 1. Supply-side constraints and their factors in individual product groups .... 24
Box 2. Current situation in the motor fuel market ............................................................. 29
Annex. Core economic indicators .................................................................................... 32
WHAT IS THE REPORT ‘REGIONAL ECONOMY: COMMENTARIES BY BANK OF RUSSIA MAIN BRANCHES’?
The report ‘Regional Economy: Commentaries by Bank of Russia Main Branches’ (hereinafter, the Report) reviews the current economic situation in the seven Russian macro-regions, the boundaries of which correspond to the regions of operation of the Main Branches of the Central Bank of the Russian Federation (hereinafter, the Bank of Russia MBs). The content of the Report is prepared by the specialists of the Bank of Russia Main Branches.
The feature of this Report is that it relies on qualitative analysis methods. Such analysis is based on the most comprehensive scope of economic information available regionally, including non-financial companies’ surveys and experts’ opinions. This approach makes it possible to combine official statistics with estimates by businesses, analysts and industry associations and to identify trends emerging in regions.

HOW DO WE COLLECT INFORMATION?
An important source of information for the Report is the monitoring of over 13,000 non-financial companies1 carried out by the Bank of Russia Main Branches. It provides high-frequency data on the development of industries in all Russian regions. These data are combined with information received by the Bank of Russia Main Branches, including following various events with the engagement of regional executive authorities, businesses, industrial unions, and entrepreneurs’ associations. Along with this high-quality information, we also use figures, including official statistics. All data are verified for accuracy and consistency.

WHAT IS THE PURPOSE OF THE REPORT?
This Report is prepared to be a reliable source of the most up-to-date information about regional development for addressing the objectives of monetary policy. It describes key trends in economic activity and pricing processes in Russian regions, as well as the identified effects of both country-wide and local factors. All this is an integral part of the information the Bank of Russia’s management needs to make monetary policy decisions. This Report is considered by the Bank of Russia’s management in the course of preparations for making key rate decisions.

---

1 In February 2021, we surveyed 13,317 companies.
RUSSIAN FEDERATION

In February–March 2021, economic activity continued to bounce back in Russian regions. Over 60% of companies participating in the Bank of Russia’s monitoring reported that the demand for their products exceeded or reached pre-pandemic levels. High external demand supported an increase in coal and gas production and diamond mining in the Far East and Siberia. Reviving domestic demand pushed up car manufacture and sales in the North-West, and the expansion of external demand drove the production of polymers in the Urals. Increased government support contributed to a rise in the output of pharmaceuticals. The Volga Region expanded the output of construction materials, including owing to the restoration of production chains. Investment in the agroindustrial complex and infrastructure projects continued to support economic activity in the South.

At the end of March, the balance of companies’ responses about their expectations regarding the economic situation over a one-year horizon continued to improve. As before, consumer activity in many regions was recovering, driven by the expansion of online sales. Nonetheless, consumers continued to cut their spending, including by opting for cheaper products. Amid the increasing scale of the vaccination and the lifting of restrictions, the attendance of public catering organisations, fitness clubs, and mass entertainment events was up. Domestic tourism also supported consumption, including owing to the tourist cashback programme. The revival of consumption was uneven, hindered by a slow recovery of households’ incomes.

The growth of mortgage lending in the retail segment continued to speed up in February. However, a number of banks raised their interest rates on mortgage loans. Inflation remained high in March. The influence of demand as a proinflationary factor intensified. It is aggravated still more due to the uneven restoration of demand in individual product and service groups and persistent supply-side constraints. The growth rate of meat and egg prices remained elevated. As to non-food goods, prices for petrol, cars, and construction materials edged up (refer to the Box ‘Current situation in the motor fuel market’). Companies’ expectations about price growth in the next three months strengthened. Prices are expected to rise primarily in the manufacture and trade of motor vehicles, hotel business and public catering, and in mining and quarrying. Among proinflationary factors, companies mentioned increasing input prices, including because of a weaker ruble and higher costs for electric power, raw materials, components, and transportation. Persistent supply-side constraints also affected price growth, for instance, in car and furniture manufacture (see the Box ‘Supply-side constraints and their factors in individual product groups’).

In February–March 2021, economic activity continued to bounce back in Russian regions, and expectations regarding the economic situation improved. However, consumption still did not reach pre-pandemic levels. Inflation remained elevated, driven by the expansion of demand amid high pressure put by increasing costs. Businesses continued to raise their price expectations due to persistent supply-side constraints in a number of markets.
KEY TRENDS IN RUSSIAN REGIONS

MAIN BRANCH FOR THE CENTRAL FEDERAL DISTRICT
Demand was bouncing back unevenly, yet faster than generally across Russia. The output of medicines expanded. Corporate and retail lending growth exceeded the country-wide rate. Russian regions, other than Moscow and the Moscow Region, reported higher inflation rates, which was driven by a stronger response to a decrease in supply on the back of low competition in individual markets.

NORTH-WESTERN MAIN BRANCH
A rise in domestic tourism supported consumer activity. The transport industry was recovering owing to an increase in export cargo shipments and the passenger flow amid the lifting of anti-pandemic restrictions. As demand tended upwards, car manufacture and sales revived.

VOLGA-VYATKA MAIN BRANCH
Consumer activity continued to rise, yet consumption remained below pre-pandemic levels. High demand for cars and construction materials contributed to the recovery of industrial production. At the beginning of the year, the macro-region recorded a high level of housing commissioning, which was because deadlines for a part of projects were extended from December 2020 to early 2021.

SOUTHERN MAIN BRANCH
Consumer activity was increasing faster than generally across Russia, which was driven by the rise in domestic tourism and online trade. As before, price growth exceeded the country-wide rate due to a larger portion of food in consumption. Budget-funded investments and mortgage lending supported economic activity. Agricultural enterprises remained positive about the economic situation.

URAL MAIN BRANCH
Companies considerably improved their expectations regarding further output and demand trends and lowered their price expectations. The output of polymers expanded notably, which was driven by the commissioning of new processing facilities. Metallurgical companies reporting high capacity utilisation rates amid expanding external demand announced a rise in prices for flat metal products. Banks expected all categories of borrowers to further increase their demand for loans.

SIBERIAN MAIN BRANCH
Reviving consumer activity contributed to a rise in employers’ demand for workers. Amid a favourable environment, coal producers adjusted their output plans for 2021 upwards. Metallurgical enterprises increased their output and sales and expanded their investment plans. Consumer demand edged up, yet did not reach its last year’s level.

FAR EASTERN MAIN BRANCH
As external demand bounced back, mining companies improved their estimates of the economic environment and expectations regarding demand and output growth. The annual decrease in fish output slowed down compared to the previous year. Foreign trade flows remained below pre-pandemic levels. Consumer activity was rising faster than generally across Russia. However, households still preferred cheaper products.
## CORE ECONOMIC INDICATORS

<table>
<thead>
<tr>
<th>MBs’ percentage in inflation</th>
<th>Date</th>
<th>Russia</th>
<th>MB for Central FD</th>
<th>North-Western MB</th>
<th>Volga-Vyatka MB</th>
<th>South ern MB</th>
<th>Ural MB</th>
<th>Siberian MB</th>
<th>Far Eastern MB</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>2021</td>
<td>100</td>
<td>34</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>13</td>
<td>11</td>
<td>5</td>
</tr>
</tbody>
</table>

| Inflation | % YoY | Mar21 | 5.8     | 5.7   | 5.4   | 6.2   | 6.6   | 5.2   | 5.8   | 5.3   |
| Core inflation | % YoY | Mar21 | 5.4     | 5.5   | 5.2   | 5.9   | 5.6   | 5.0   | 5.2   | 4.6   |
| Industrial production | 3MMA, % YoY | Feb21 | -1.0   | 12.1  | -0.5  | -1.4  | 1.7   | -2.2  | -2.9  | -3.0  |
| Fixed capital investment | Cumulative, % YoY | 2020 Q4 | -1.4  | -3.4  | -0.3  | -3.8  | 1.2   | 1.5   | 1.9   | -15.2 |
| Construction | 3MMA, % YoY | Feb21 | 0.5     | 7.3   | -14.0 | -8.9  | -2.3  | -18.2 | 8.6   | 14.1  |
| Housing commissioning | 3MMA, % YoY | Feb21 | -0.6   | 12.2  | -0.1  | -16.3 | 16.3  | -0.3  | -15.6 | 22.8  |
| Retail | 3MMA, % YoY | Feb21 | -1.9   | -0.4  | 0.1   | -4.4  | 1.5   | -4.8  | -3.8  | 0.8   |
| Commercial services | 3MMA, % YoY | Feb21 | -8.7   | -14.3 | -8.6  | -4.5  | 5.0   | -8.3  | -4.3  | -8.8  |
| Real wages | 3MMA, % YoY | Jan21 | 1.9     | 3.8   | 0.0   | 0.4   | -5.5  | 1.0   | 1.5   | 0.4   |
| Real disposable income | % YoY | 2020 Q4 | -1.5  | 0.3   | 0.4   | -3.1  | -1.2  | -4.5  | -3.3  | -2.4  |
| Outstanding consumer loans² | % YoY | Feb21 | 7.1     | 5.4   | 6.7   | 7.1   | 7.1   | 7.9   | 9.4   | 9.3   |
| Outstanding mortgage loans | % YoY | Feb21 | 22.2   | 24.7  | 22.2  | 20.4  | 25.1  | 18.3  | 19.6  | 24.2  |
| Non-financial organisations’ outstanding bank loans | % YoY | Jan21 | 9.5     | 11.2  | 9.0   | 2.6   | 2.8   | 4.4   | 5.2   | 35.0  |
| Large borrowers | % YoY | Jan21 | 7.2     | 10.4  | 1.3   | -3.6  | -1.0  | 1.6   | 1.3   | 37.3  |
| SMEs | % YoY | Jan21 | 23.0   | 17.3  | 52.5  | 24.8  | 15.0  | 26.0  | 22.4  | 26.8  |
| Companies’ price expectations³ | Balance of responses, SA | Mar21 | 20.7   | 26.0  | 19.4  | 24.8  | 17.8  | 14.9  | 19.9  | 15.0  |
| Business Climate Index | pp YoY | Feb21 | 3.7     | 3.4   | 4.0   | 1.9   | 5.7   | 1.6   | 3.9   | 1.0   |
| Current estimates | pp YoY | Feb21 | 1.8     | 1.4   | 4.8   | 1.3   | 1.4   | 0.3   | 1.9   | -0.5  |
| Expectations | pp YoY | Feb21 | 5.9     | 5.6   | 3.0   | 2.6   | 10.6  | 3.0   | 6.1   | 2.7   |

Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.

² Hereinafter, outstanding bank loans are given adjusted for foreign currency revaluation, according to Reporting Forms 0409316 ‘Loans to households’ and 0409303 ‘Loans to legal entities’. These reporting forms are used to carry out regional analysis since they enable the aggregation of indicators by resident borrowers’ location.

³ The balance of responses is the difference between the percentages of responses ‘will increase’ and ‘will decrease’ to the question about expectations regarding prices in the next three months. Companies’ price expectations and the Business Climate Index are based on the monitoring of businesses carried out by the Bank of Russia.
INFLATION IN RUSSIAN REGIONS

Price growth in March 2021, % on the same month last year

The sizes of the regions’ signs correspond to their percentages in the Russian CPI.

The Moscow and Leningrad Regions are shown as ‘boxes’ for Moscow and St. Petersburg.

Note: the lines on the map divide the regions of operation of the Bank of Russia MBs. Source: Rosstat.

Ady Republic of Adygeya
Alt Altai Territory
Altai Republic
Amu Amur Region
Arkh Arkhangelsk Region (excluding Autonomous Area)
Ast Astrakhan Region
Bash Bashkortostan
Bel Belgorod Region
Brya Bryansk Region
Bur Buryatia
Vla Vladimir Region
Vlg Volograd Region
Vgd Vologda Region
Vrzh Voronezh Region
Dag Republic of Daghestan
Jew Jewish Autonomous Region
Kab Kabardino-Balkar Republic
Kar Republic of Karelia
Kbr Khabarovsk Territory
Kem Kemerovo Region – Kuzbass
Kir Kirov Region
Klg Kaliningrad Region
Kmi Komi
Kos Kostroma Region
Kry Krasnoyarsk Territory
Kst Kostroma Region
Kuz Kemerovo Region – Kuzbass
Kz Kyzyl
Kzn Khakassia
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyzyl
Kz Kyz

In Central Russia, demand was recovering unevenly but faster than in other regions. Annual inflation accelerated, and price expectations rose more notably than across Russia in general. Ongoing vaccination is having a positive impact on consumer sentiment. 6–7% of the population of the region have received at least one component of the vaccine. The leaders are the Belgorod and Ivanovo Regions and Moscow.

CONSUMPTION AND INCOMES
In Central Russia, demand was recovering unevenly. Retail turnover exceeded the figures for the previous year in the first two months due to improved sales dynamics, primarily in the Moscow Region as well as in the Kostroma and Yaroslavl Regions. In other regions, demand has not yet bounced back to pre-pandemic levels.
Weekend fairs were resumed in Moscow and the Kaluga, Belgorod, Smolensk, Orel, Lipetsk and Voronezh Regions. The tourist cashback programme had a positive impact on the dynamics of services, increasing the demand for package tours within the country and for train and air tickets. New formats are being introduced in the services sector: in Moscow, Kaluga, Voronezh and Belgorod, certain beauty salons are being replaced by beauty co-working spaces with hourly rental of equipped workplaces. The ongoing vaccination is having a positive impact on consumer sentiment. According to estimates based on various sources, 6–7% of the residents of the macro-region have received at least one component of the vaccine. Real wage growth remained moderate. Only the Smolensk and Kaluga Regions saw a rise in wages, mainly due to increasing wages in the manufacturing sector.

PRICES
In March, seasonally adjusted inflation in the macro-region continued to speed up, driven by rising prices for many products and materials (construction materials, chemicals, cotton) in global commodity markets and a shortage of supply in certain markets (cars, petrol). Car manufacturers and car dealers in the region noted an excess of demand over supply and supply disruptions. Higher inflation was observed in regions outside the Moscow metropolitan area, where weak competition in certain markets enables producers to be less restrained in passing through costs to prices. In March, companies’ price expectations rose more notably than across Russia in general. Trade and transport companies demonstrated the most noticeable increase in price expectations. In general, survey participants continue to explain the rise in price expectations by changes in purchase prices for goods, raw materials and components. At the same time, the proinflationary impact of changes in purchase prices and the cost of fuels and lubricants grew noticeably.

MONETARY CONDITIONS AND BANKING SECTOR
Corporate and retail lending growth in Central Russia was somewhat above Russian averages. According to the Bank of Russia’s surveys, March, as February, saw the percentage of companies in the macro-region
noting an improvement in lending conditions to exceed the percentage of those reporting a deterioration. The quality of loans to SMEs and consumer loans has not yet recovered to last year’s levels.

Banks maintain a conservative approach to retail lending, preferring borrowers with high credit ratings. According to credit history bureaus, in February, the number of new consumer loans remained below last year's levels, while the average amount of loans grew significantly (especially in the Moscow and Voronezh Regions). In the mortgage segment, in February, state support programmes continued to drive an increase in both the number and amount of new household loans in the macro-region. Some major banks have already begun to raise interest rates on mortgage loans, responding to changes in the financial environment. According to analysts, in 2021, mortgages will become the main retail product, leading to their further digitalisation, including the development of electronic mortgages.

In February, the flow of households’ funds from deposits to current accounts continued in the macro-region. Opening of individual investment accounts continued at a more noticeable pace than in January. According to experts, as the situation in the economy stabilises, a part of cash and funds will flow from current accounts back to deposits. In the context of returning to neutral monetary policy, higher interest rates on deposits will also contribute to this.

**OIL REFINING**

Early in the year, the macro-region and the country in general saw a lower oil refining output than last year due to a decrease in output at one of the three largest oil refineries in Central Russia. The inability of regional production to meet domestic demand and a decrease in the sales of motor petrol at the commodity exchange with delivery to Central Russia exert proinflationary pressure on the retail market of the macro-region.

According to a survey of one of the largest oil companies refining oil at the refineries in Central Russia, prices for motor fuel are not expected to grow in the near future. At the same time, more than a third of the surveyed companies in the real sector of the economy believe that a rise in prices for motor fuel may trigger an increase in prices for their products in the near future.

The refineries of the macro-region continued to invest in the development and modernisation of production and improve their environmental performance. For example, new equipment installed at one of the refineries made it possible to reduce water consumption and waste-water discharge fourfold and maintain production in the city area.

**PHARMACEUTICAL PRODUCTION**

Recently, a key area of growth for the pharmaceutical sector in the macro-region has been the production of Covid-19 vaccines and medicines used for treating patients with Covid-19. This trend will continue as new sites for the manufacture of such medicines open, including those in the Moscow and Yaroslavl Regions. This will be driven by strong demand from the public sector and the expansion of import substitution in the segment of essential medicines. Due to the launch of experiments on the coding of dietary supplements and disinfectants in April–May, manufacturers’ costs may rise. However, their pass-through to prices will be limited by more restrained consumer demand for medical products, than a year earlier, and increased competition in the non-prescription market segment due to the growing influence of remote retailers.
In February–March, business activity in the North-West continued to revive. Output and sales of cars grew. Implementation of major projects in the transport sector contributed to the further development of the industry. The expansion of consumer activity was constrained by household incomes. In general, price expectations of companies in the main sectors of the economy decreased slightly. The growth rates of lending to small- and medium-sized enterprises were above Russian averages.

CONSUMPTION AND INCOMES
The share of retailers that noted an increase in demand grew, and their expectations regarding future changes in demand improved. The opening of food courts and the easing of occupancy restrictions for cinemas resulted in increased traffic in Saint Petersburg shopping centres, but at the end of 2021 Q1 it had not yet fully recovered (down 18% YoY). Consumer activity was restrained by a decline in households’ purchasing power. Retailers in the macro-region find that shoppers are still opting for saving behaviour patterns, preferring discounted and lower-priced items. Consumption was supported by domestic tourism. During the week of the Maslenitsa festival, in addition to Saint Petersburg, the city of Lahdenpohja (Karelia) was one of the top ten most popular destinations. The Kaliningrad Region retained its appeal for tourists. There was also an increase in the number of bookings for summer holidays in the regions of the Federal District, partially due to the launch of the third stage of the tourist cashback programme which now covers health resorts.

PRICES
Compared to February, in March, annual inflation in the macro-region remained unchanged equaling 5.4%. Seasonally adjusted monthly price growth slowed down. Annual inflation was affected by competing factors, including expanded supply of fruit and vegetables and increased demand for certain services. Annual inflation was still below the country-wide rate (5.8%). Businesses’ price expectations dropped slightly in March. Decreased price expectations were recorded in all major sectors, except for transportation and storage. The main reason why businesses in this sector are planning to raise prices in the near future is growth in the cost of fuel and lubricants. At the same time, one of the regional airlines reported freezing fares despite increased costs. This is due to growing competition in the domestic Russian air transportation market amid the remaining restrictions on foreign tourism.

MONETARY CONDITIONS AND BANKING SECTOR
According to the March survey, the percentage of companies that noted an improvement in bank lending conditions grew slightly in the macro-region. This year, two regions (the Arkhangelsk Region and the Komi Republic) joined the Forestry Projects loan programme, which provides small- and medium-sized forestry enterprises with access to preferential loans. The growth of mortgage lending in the retail segment sped up in the macro-region, as in the country in general. According to a developer in Saint Petersburg, preferential mortgage lending
has increased the demand for housing, including under its ‘trade-in’ programme: this year, the number of applicants under the programme is up 15%.

**TRANSPORTATION**

The transportation sector saw a gradual recovery. The growth of cargo turnover in the North-West was stimulated by the signing of an agreement between Russia and Belarus on the transhipment of petroleum products for exports through Russian ports in the Baltic Sea. In March, fuel oil and petrol started to be transhipped through the ports of Saint Petersburg and the Leningrad Region. The Murmansk Sea Fishing Port also increased its cargo turnover by transporting fish intended for exports to China, which was previously unloaded in the ports of Norway (which are currently closed due to the pandemic). The Kaliningrad Region continued to implement a project for the multi-modal transportation of containers from China to European countries: in March, another batch of Chinese containers arrived by rail and were then forwarded to Denmark through the port of Kaliningrad.

As restrictions were lifted, passenger traffic became more active. In 2021 Q1, more than 3.5 million passengers used the services of the Pulkovo Airport in Saint Petersburg, which is more than last year. The Lastochka train between Saint Petersburg and Petrozavodsk, cancelled last year due to the pandemic, resumed service. Passenger traffic on the most popular flights from the airport in Pskov to Moscow and Sochi reached the level recorded before the pandemic.

According to the survey, businesses in the transportation industry expect an increase in the demand for and volume of domestic carriage services in the near future. For example, the Pulkovo Airport plans to ensure an inflow of passengers by integrating 20 more Russian airports in its route network, attracting new airlines and increasing the frequency of flights.

**AUTOMOBILE INDUSTRY**

In February, both output in the auto industry and sales of new passenger cars in the macro-region expanded in annualised terms. In 2021 Q1, a large manufacturer in Saint Petersburg increased car exports to neighbouring countries by 40%.

Auto dealers expect continued demand in the coming months. At the same time, certain retailers note insufficient supply of cars, partially due to the uneven filling of warehouses of the dealers of various brands.

Auto manufacturers also expect continued demand for their products in the future and are maintaining their investment plans in this context. In Kaliningrad, a large company in the industry plans to stop manufacturing some of less popular models this year and at the same time expand the output of models of other brands. In addition, after the launch of a new stage of the plant in the middle of the year, full-cycle production of vehicles will significantly increase. In Saint Petersburg, as planned, a car engine plant will be commissioned in October 2021.
In February–March, the economy of the Volga-Vyatka region continued to recover steadily. An increasing number of enterprises announced that their output reached pre-pandemic levels. Businesses improved their estimates of the current situation and demand expectations. Companies’ revenues increased close to last year’s figures. Consumer activity grew amid the decrease in coronavirus cases and the beginning of mass vaccination, but the percentage of the vaccinated population was lower than the national average. Business activity in the manufacturing sector was supported, among other things, because the demand for cars and construction materials remained elevated. Price expectations of businesses in the macro-region increased slightly, and consumer prices continued to grow.

CONSUMPTION AND INCOMES
The annual growth of retail trade in the Volga-Vyatka region decreased in February due to the high base effect and the leap-year effect. At the same time, the current consumption of goods continued to grow at a slightly faster pace than the country average. However, in contrast to Russia in general, retail turnover still did not reach the figures of January 2020, which is confirmed by the survey data for March. Landlords and owners of shopping centres in one of the regions do not expect a return to pre-pandemic levels before the end of the year. Consumption of services in February recovered extensively; however, seasonally adjusted, it still did not bounce back to the figures of the beginning of the previous year. The demand for fitness and sport services continued to recover. Market participants in one of the regions reported that in January, sales of club cards had already increased significantly compared to December 2020; however, consumers still prefer short-term subscription plans.

PRICES
Price growth remained elevated in March. The dynamics of prices for meat products made a significant contribution: an increase in costs continued to affect prices for poultry, eggs, and pork. In addition, fuel prices continued to grow in March. A major manufacturer raised its car prices. Price expectations in retail rose in March, but the growth was slightly more moderate than for the country in general. Companies in various industries reported a significant increase in costs in March compared to last year in such categories as raw materials and supplies, fuel and transportation.

MONETARY CONDITIONS AND BANKING SECTOR
The dynamics of corporate lending in the macro-region were restrained at the beginning of the year. The seasonally adjusted amount of new loans dropped to the level of October 2020. According to the results of business surveys in March, lending conditions predominantly deteriorated for the first time since last May. A regional agricultural holding is uncertain about the implementation of its investment projects amid expectations of higher interest rates. In the context of continued low rates in February, the disbursements of both consumer and mortgage loans in the retail segment grew.
AUTOMOBILE INDUSTRY
In contrast to Russia in general, in February, car output in the Volga-Vyatka region remained above the average figures for 2020 Q4. In addition, regional manufacturers improved their estimates of current demand to a greater extent than across Russia in general. Moreover, in February, as generally in the country, almost one-half of companies in the industry were planning to raise prices in the near future. In March, the leading automobile manufacturer of the macro-region announced a revision of prices for its products for the second time in Q1. Volga-Vyatka companies showed improved output expectations. For example, in April, a motor vehicle manufacturer introduced a six-day working week for the production of crossover utility vehicles, in part due to receiving a government contract for cars for the healthcare system. The production of this type of vehicles was resumed in March after having been suspended the month before due to the lack of a number of components. At the same time, as in Russia in general, regional automobile manufacturers noted a sharp increase in production costs in February. Companies of the macro-region launched investment projects aimed at the localisation of car production and components for them. A manufacturer of light commercial vehicles, which previously announced its plan to build a diesel engine plant in the Volga-Vyatka macro-region, intends to be the first in Russia to manufacture electric cargo vans.

OUTPUT OF CONSTRUCTION MATERIALS
The growth rate of the output of construction materials exceeded the country-wide average, reaching its all-time highs. Output increased, in part due to the resumed utilisation of existing production facilities which had not been operating for a long time. For example, a regional company announced the start of manufacture after a change in the ownership and subsequent investments in the facilities. A major cement manufacturer reported a significant increase in output due to an influx of new orders amid financial difficulties faced by competitors. Finally, the recovery of production chains also contributed to the positive output trends in the sector. A mica product manufacturer explained the increase in output by resolved problems with the supply of raw materials from South Asia. According to the company, it faced disruptions and delays in the shipment of sheet mica and small components over 2020 due to the anti-pandemic restrictions, which ultimately led to shifts in the timing of the company’s production plans.

HOUSING CONSTRUCTION
In December 2020, volumes of commissioned housing in the macro-region were low due to technical postponement to 2021 of commissioning dates for facilities at the final stage of construction in one of the regions. In January–February, due to this factor, volumes of commissioned housing in the regions of Volga-Vyatka were slightly higher than last year, reaching a new historical high for these months. Regional developers noted that demand for housing declined relative to the elevated levels of 2020 Q4, yet remained strong. Businesses expect increased demand to remain until the end of 2021 H1 in the context of preferential mortgage programmes.
BANK OF RUSSIA SOUTHERN MAIN BRANCH

Recovery in consumer activity in the macro-region exceeded national averages. This had a positive impact on economic activity and business sentiment, which improved in March compared to the previous month. Increased input prices continued to influence the growth of companies’ price expectations. Budget support and softer lending conditions are expected to facilitate new projects in agriculture, the fuel and power sector, and manufacturing. The percentage of the population vaccinated remained lower than across Russia in general.

CONSUMPTION AND INCOMES
The growth of consumer activity continued to exceed national averages. This was largely driven by the continued growth of the tourist flow and a gradual removal of anti-epidemic restrictions.
In a number of regions, restrictions on catering businesses were eased; for example, in the Krasnodar Territory, food courts in shopping centres resumed operation.
Sales of construction materials were growing amid households’ high demand for real estate, and sales of cars were growing due to government preferential auto lending programmes in the context of price growth expectations. The leading regions in the sales of new passenger cars include, among several others, three regions of the Southern Federal District (the Krasnodar Territory, the Volgograd and Rostov Regions).
The delivery market became more competitive. In March, the Krasnodar Territory saw the launch of an online delivery service expecting to occupy 30% of the region’s online retail market. At the same time, a large retailer is testing an express delivery service based on its own network of household and beauty products, which resulted in an increase in the share of online purchases.
A stable financial position of large businesses enables them to implement new investment projects that expand employment. For example, an agricultural machinery plant is planning to hire 25% more employees and invest in the development of social infrastructure.

PRICES
Monthly price growth (seasonally adjusted) slowed down in March. Annual inflation increased to 6.6%. Increased consumer demand resulted in accelerated growth of prices for durable goods. Price growth was also driven by an increase in the costs of meat and egg producers associated with higher prices for grain used in the production of feed and for imported hatching eggs, veterinary drugs and equipment due to the earlier weakening of the ruble. Local outbreaks of bird flu also affected prices. In the Republic of Kalmykia, producers reported death of livestock and lower quality of lamb and beef due to the cold winter. Inflation in the macro-region remained higher than the national average due to a larger portion of food products in the consumer basket.
Rising costs and the expansion of effective demand in most sectors, except manufacturing and water supply, led to an increase in the number of businesses planning to raise prices.
MONETARY CONDITIONS AND BANKING SECTOR
Lending to large businesses was largely supported by high-value preferential investment loans granted to agricultural companies for the development of crop production and the expansion of greenhouses.
In the first quarter, credit institutions in some regions eased bank lending conditions for SMEs in terms of requirements for the financial position of borrowers and collateral. Among other factors, this affected the growth rates of the portfolio of this category of borrowers, which outpaced the figures for the previous year.
Retail lending continued to grow due to the acceleration of mortgage growth, which exceeded the country-wide averages. This resulted from the elevated demand for housing from the residents of other regions, not only for migration-related purposes but also as investment in real estate, especially on the Black Sea coast.

INVESTMENT
As of the end of 2020, the macro-region saw an increase in investment activity. This is due to a higher proportion of budget-funded investment projects (full funding or partial funding through subsidies). Large infrastructure projects related to road construction in the Krasnodar Territory and the Republic of Crimea are being implemented.
One-fifth of businesses expect the investment climate in the macro-region to improve this year.
More than one-half of companies announced their plans to invest in machinery and equipment, buildings and structures to modernise and expand production. Some respondents viewed internal funds as the main source of financing, and only 14% of businesses planned to raise funding for projects through loans.

FOREIGN TRADE
Amid the global economic recovery, export volumes of coal, metals, and oil and petroleum products increased. Growth in cereal exports was slowed down by an increase in the customs duty for wheat in March, but the volume of shipments remained higher than last year. Timber shipments were lower than last year due to the increased export duty for unprocessed timber.
The largest seaport in southern Russia continued to expand its infrastructure. The port administration and a large international agricultural trader started to construct a terminal for the transshipment of vegetable oils, which will increase the current capacity six times.

AGRICULTURE
Expectations of agricultural businesses remained positive. The macro-region began the spring sowing campaign. Most farmers are well-provided with seeds, fertilisers and agricultural machinery. Amid favourable weather conditions and sufficient moisture content of the soil, the condition of winter crops in most regions is considered satisfactory, and in the Krasnodar Territory and the Republic of Adygea, it is assessed as good.
Government support and preferential lending measures for the agricultural sector drove production growth rates of businesses and paved the way for increased investments in the industry. For example, in the Republic of Adygea, to reduce costs by increasing the production of hatching eggs, a large poultry facility has been constructed.
In February–March, economic recovery of the macro-region slowed down slightly. This was partly due to delays in deliveries and shortages of raw materials and components. Companies’ expectations regarding further production and demand trends improved markedly, while businesses’ price expectations decreased. In retail trade, sales of certain non-food goods grew due to the realization of demand associated with the purchase or change of housing and households’ elevated inflation expectations.

**CONSUMPTION AND INCOMES**

Recovery in consumption was facilitated by special promotional campaigns, an increase in the share of purchases through online stores, and support programmes for domestic tourism (through tourist cashback). Amid rising inflation expectations, households’ demand for durable goods (household appliances and electronics, cars, bicycles, and furniture) increased. In particular, according to furniture market participants, kitchen furniture is especially in demand. Manufacturers are working in several shifts, and furniture assemblers are fully occupied.

In March, retailers also noted a pick-up in demand for clothing and footwear, construction materials, and goods for gardens. Anticipating growing demand during the upcoming May holidays, food manufacturers are planning to increase their output compared to the same periods in 2020.

As the number of vaccinations increased and restrictions were lifted, the recovery in the sports, entertainment and catering sectors accelerated. Restaurants and cafes reported a significant increase in the number of customers on weekends, but on weekdays occupancy rates were still below pre-pandemic figures.

Travel agencies noted improved demand for both foreign and domestic tourism services.

**PRICES**

In March, inflation in the Urals remained the same as in the previous month (5.2%). Increased price growth rates were supported by expanding demand in foreign commodity markets amid logistics disruptions. This was accompanied by both increased purchase prices for imported components and goods and growing exports of domestic raw materials and finished products.

Price growth in the consumer market was restrained by the prolongation of administrative measures in the sugar and sunflower oil markets. In operational surveys, non-chain retailers in the Ural regions reported difficulties in purchasing these products in the wholesale market. A bottled sunflower oil producer announced its plans to suspend operations until the new harvest season. Regional meat processors reported increased prices for feed grains, sunflower meal, compound feed, veterinary drugs, containers, and packaging as reasons for raising prices for their products.

The woodworking and pulp and paper industries, as well as pharmaceutical companies noted that the decreased supply of raw materials was accompanied by growing prices.

In the markets for certain goods, price changes were also determined by elevated domestic demand (for furniture and construction materials) caused, among other things, by purchases of housing. Car dealers explained
increased prices by slower delivery of the most popular car models.

**MONETARY CONDITIONS AND BANKING SECTOR**

According to the surveys of credit institutions, in 2021 Q1, bank lending conditions were softened for all borrowers, except for large corporates. The demand for new loans and restructuring dropped in all segments of the credit market. Over a six-month horizon, credit institutions expect a pickup in demand for borrowed funds from all categories of borrowers. Some toughening of monetary conditions for customers is expected; nonetheless, this will affect SMEs to the least extent.

**PETROCHEMICALS AND OIL REFINING**

In the first months of the year, polymer output in the Ural regions expanded, but increased demand in both external and domestic markets continued to put pressure on prices. A food packaging film plant was launched in the Kurgan Region. According to the company, this project may enable a decrease in the share of imports of these products to the Russian Federation from 70% to 40%. A large regional research centre and developer of solutions for polymer recycling successfully completed the first stage of the testing of its own unique technology for manufacturing containers of recycled plastic waste from landfills.

**METALLURGY**

In February–March, prices for steel products in the Russian market adjusted downwards overall, in line with effective domestic demand. At the same time, amid rising prices for hot-rolled steel in the EU and Turkey, some metallurgical companies in the Ural regions, operating in the conditions of high capacity utilisation rates, announced an expected increase in prices for flat products in April–May. A large metal manufacturer intends to expand the sales of pipes and rolled products to medium and small consumers in Russia, by locating four additional warehouses in the regions of the Central and Volga Federal Districts.

**MACHINE-BUILDING**

The demand for engineering products is recovering. According to the Bank of Russia payment system, the amount of payments received by the region’s machine-building enterprises in March was 2.3% higher YoY. Amid rising prices for flat steel, the largest manufacturer of four-wheel drive trucks reported a revision of prices for its products and accumulation of the warehouse stocks of raw materials. According to the company, this will not affect previously concluded contracts. It believes that positive output dynamics will continue in 2021 H1, facilitated by an expanded range of products offered.

In the Orenburg Region, a mechanical plant noted that it was forced to purchase materials only for actual orders as it had insufficient working capital to purchase large stocks of metal and not enough warehouses for its storage.
In March 2021, economic activity in Siberia continued to recover. Production in coal mining increased. Unemployment decreased, and the demand for labour grew. Consumer demand was gradually bouncing back, and the decline in the turnover of retail trade, public catering, and commercial services slowed down. The Covid-19 vaccination campaign is in progress; about 5% of the population of Siberia have been vaccinated. Expectations in manufacturing improved owing to expected demand growth.

CONSUMPTION AND INCOMES
A trend towards more frugal consumer behaviour remained. The demand for discounted goods continued to grow, and the volume of spontaneous purchases decreased, in part due to the development of online trade. Sales in consumer goods street markets increased. The demand for home improvement and renovation goods remained high. Amid the lifting of restrictions, representatives of the sports and entertainment industry noted reviving demand in March. Beauty salons are partially transformed into cheaper formats. Most companies reported they were unable to raise wages, while some businesses stated they would increase wages by no more than 5%. The demand for labour is especially notable in public catering and construction.

PRICES
In March, inflation accelerated. Egg and poultry prices continued to rise amid reduced supply due to bird flu outbreaks. Transportation companies raised prices for services due to rising costs (imported spare parts, petroleum, and shortages of containers). Clothing and footwear manufacturers reported an acceleration in the growth of prices for finished goods due to rising costs of fabrics and accessories. Polymer products manufacturers also reported price growth. 20% of companies reported a possible increase in output prices in the next three months. The main reasons for the expected price growth were increased input prices for raw materials and supplies, fuels and lubricants, as well as exchange rate volatility.

MONETARY CONDITIONS AND BANKING SECTOR
In January, the monthly growth of corporate lending accelerated. It was driven by a decline in the interest rate under the programme of lending to small and medium-sized enterprises. Lending activity remained high in construction. Agricultural companies’ demand for preferential loans to finance sowing grew. A metallurgical company received a large loan for the implementation of an investment project in March. The 3% preferential corporate lending programme is becoming increasingly more requested. Household lending continues to expand. The growth of car loans sped up in January–February. Average consumer loans and credit card limits increased slightly. At the same time, according to banks, the demand for preferential mortgage loans stabilised. In February, the inflow of household deposits resumed. Current account balances mainly grew, while time deposits decreased due to low interest rates.
COAL MINING

Amid rising global coal prices, coal mining companies became more optimistic. Plans for 2021 were revised towards increasing output, upgrading machinery and equipment, and expanding capacities. Coal mining companies’ confidence grew due to decisions of the Government of the Russian Federation aimed at expanding transport infrastructure in the East.

Several large companies began exporting coal in large vessels through a new coal terminal in Taman.

In March, a metallurgical coal producer signed an agreement with a large steel company in China. Companies from India and South Korea also showed great interest in Siberian anthracite.

Coal mining companies are concerned about the proposed introduction of a carbon tax. The more a company exports to Europe, the higher the negative impact of the tax will be. Due to the limited eastern railway infrastructure, Europe accounts for about 70% of coal exports.

Non-compliance with responsible investment policies is blocking foreign investment in coal mining.

AGRICULTURAL MACHINERY AND EQUIPMENT MANUFACTURE

Companies of the industry reported an increase in order volumes and an expansion of the range of manufactured equipment and spare parts. Even in January, traditionally a ‘dead’ month, the volume of orders did not drop. This is explained by agricultural companies’ good financial performance over the last two harvesting campaigns and the government support programme for agricultural machinery manufacturers.

To avoid disruptions in the supply of imported components, their stocks were increased three to four times. Cost growth was also driven by increasing input prices for metals. As a result, output prices for some manufactured items increased by 10–15% at the beginning of the year.

METALLURGY

Siberian metallurgical companies were optimistic in their estimates of the economic situation, and prices continued to trend upwards.

The largest aluminium production holding continued to expand its sales geography and product line. In March, special technical conditions were agreed upon for the construction of the first automobile bridge in Russia and Eastern Europe with aluminium alloy structures.

The implementation of investment projects continued. Preparations are underway as planned for the commissioning the Taishet aluminium plant: in March, the supply of power to the closed switchgear of the plant began, and an extensive hiring campaign is in progress.

Two plants of the holding started modernisation and purchase of new equipment. The company continues to implement environmental projects, introducing technologies with improved gas removal systems.

Another major producer of non-ferrous and precious metals reported that the partial suspension of two mines (due to flooding) led to a 15–20% reduction in the annual plan for metal output. The company is planning to restore regular operation of the first mine in the first ten days of May, and of the second one – in early June. The implementation of investment projects, including environmental ones, will continue.

Ferroalloy producers reported an increase in product sales. The growth was associated with high demand and diversification of shipment geography (to domestic metallurgy companies and abroad: to Japan, Mexico, Canada, and Turkey).
In March, business and consumer activity in the macro-region continued to recover faster than in the country in general. The removal of restrictions drove the demand for services of hotels and cultural facilities. At the same time, the population continued to prefer goods in a lower-price segment. The partial easing of trade restrictions by China contributed to an increase in fish output. Favourable global conditions and growing external demand supported output in the mining sector. The Covid-19 vaccination campaign was less active than overall in Russia. By the beginning of April, no more than 5% of the population of the macro-region had been vaccinated despite the sufficient supply of the vaccine.

CONSUMPTION AND INCOMES
In March, consumer activity in the macro-region grew faster than in the country in general. More than one-half of surveyed retailers noted that current demand reached pre-pandemic levels. However, retailers also indicated that the highest growth in the flow of customers was observed in low-price segment shops. In addition, shoppers were active in food street markets, where cheaper goods are sold. The demand for services in the industries hardest hit by restrictions was recovering. For example, a large company in the hospitality industry noted an increase in demand due to business travels and a growing number of bookings for the summer season. Cultural facilities noted high occupancy rates of concert venues; tickets for certain upcoming events were sold out.

PRICES
In March, both monthly price growth (seasonally adjusted) and annual inflation sped up, although remaining below the national averages. This acceleration was mainly driven by changes in prices for food products, specifically eggs, poultry, and sugar. Representatives of various industries noted an increase in the cost of raw materials and components, fuels and lubricants, transportation tariffs, as well as frequent price revisions by suppliers that hindered proper cost planning. Construction companies reported a surge in prices for metal structures since the beginning of the year that they had not forecast before. Amid rising costs, businesses’ price expectations grew in March, although they remained lower than in Russia in general. Retailers’ expectations rose most significantly due to a substantial increase in input prices.

MONETARY CONDITIONS AND BANKING SECTOR
Credit institutions eased conditions for mortgage and consumer loans, but requirements for corporate borrowers remained moderately strict. Since the beginning of the year, the market saw an increase in the share of online consumer lending, which began to develop during the pandemic. In February, banks noted growing demand for mortgage loans supported by the commissioning of new housing, including long-term construction, in a number of regions. A large bank announced new conditions for the Far Eastern Mortgage programme at 0.1% per annum, subject to the purchase of an apartment from developers participating in project financing with the use of escrow accounts.
Since the second ten days of March, the number of loan applications from SMEs grew due to the start of a new 3% preferential lending programme aimed at reviving entrepreneurial activity.

**MINING AND QUARRYING**

In February, the macro-region, in contrast to Russia in general, saw an increase in mining operations compared to the previous year due to a pick-up in coal and gas production driven by a rise in external demand (mainly from China). Negative dynamics persist in the oil industry due to the OPEC+ restrictions and restrained external demand; however, once the external environment improves, available free capacities will make it possible to build up output.

Favourable global exchange prices for rough diamonds and growing external demand supported the diamond mining industry. As a result, mining companies improved their estimates of the economic situation and significantly increased their expectations regarding demand and output growth. However, a number of mining companies reported that their suppliers are unable to meet the increased demand for mining equipment, explaining this by global production stoppages and supply disruptions.

**FOREIGN TRADE**

Companies in the macro-region noted the easing of restrictions on trade with China (the main foreign trade partner). As a result, the number of vehicles passing through border checkpoints doubled in early April, compared to February, while remaining significantly below pre-pandemic levels.

In the second half of March, the Blagoveshchensk — Heihe pontoon bridge opened for motor vehicles, but it was only used to deliver imported equipment for one of the plants in the region.

A large timber processing company also noted that China removed some phytosanitary control restrictions which had been significantly tightened this January. However, the company faced a shortage of railway wagons due to delays at the border caused by anti-epidemic measures which constrained exports.

**FISHING AND FISH PROCESSING**

March saw a less significant YoY decrease in catch volumes, primarily in pollack fishing. Companies in the industry noted an increase in output and demand, among other reasons, due to a partial removal of restrictions on the acceptance of fish products in Chinese ports. Wholesale prices for frozen pollack in the Far East declined, decreasing by almost 40% YoY by the end of March.

Fishing companies are concerned about possible problems during the salmon season, which starts in early June, due to refrigerators being loaded with other fish species (mainly pollack) and shortages of refrigerated containers and receiving vessels.

Fish processing companies noted a shortage of saury and high-quality sardines used for the production of canned fish due to the termination of fishing in usual catching areas caused by a change in the migration route. This led to a drop in the share of Russian raw materials and an increase in imported ones, which resulted in the accelerated growth rates of retail prices for canned fish.
BOX 1.
SUPPLY-SIDE CONSTRAINTS AND THEIR FACTORS
IN INDIVIDUAL PRODUCT GROUPS

The weakening of business activity that occurred in the world economy in 2020 resulted from both a slump in demand and a temporary, yet unprecedented decline in supply. This was followed by disruptions in global production and logistics chains which still continue to affect the economic situation. Existing constraints in the supply of raw materials and finished goods are rather of a local nature in Russia, which is evidenced by Rosstat's data and companies' surveys in the majority of the macro-regions. However, as both domestic and external demand is bouncing back faster, this causes an elevated growth rate of prices in individual product and service groups.

The sharp worsening of the epidemic situation in 2020 provoked a dramatic shock in the global economy in general and the Russian economy in particular. Anti-coronavirus measures adopted by governments in a considerable number of countries that are limiting business activity entailed a temporary, but significant reduction in supply worldwide. This caused disruptions in global production and logistics chains which still continue to affect the economic situation. In contrast to many other countries, Russia was using a strict lockdown regime for a relatively short period, specifically from late March to June 2020, after which restrictions were only targeted. Nonetheless, new waves of coronavirus cases worldwide and response measures by Russia's trading partners to reintroduce lockdowns still make it impossible to completely restore efficient logistics chains. The existing supply-side constraints may be classified into three main groups: (1) disruptions in supplies and increased logistics costs, (2) shortages of migrant workers, and (3) limited capacities when currently high utilisation rates prevent enterprises from expanding output quickly in response to increased demand. Companies in most macro-regions report that these constraints are rather of a local nature and exist only in a number of market segments.

This is generally in line with Rosstat's data: among large groups of industrial products, only the intermediate goods segment failed to increase output to pre-pandemic levels (Chart 1). However, as both domestic and external demand is bouncing back faster, this often causes an elevated growth rate of prices in individual product and service groups. Companies in the majority of the macro-regions report disruptions in logistics chains as a factor impeding the expansion of supply in response to higher demand. They are mostly caused by the aftermath of the coronavirus pandemic and the remaining restrictions on economic activity in a range of Russia's trading partners. Container freight issues (including a shortage of containers), longer time for cargo customs clearance, lockdowns in Russia's trading partners, and a global deficit of a range of products may be specified as the key reasons for disruptions in the supplies of raw materials and finished goods.

CONTAINER FREIGHT ISSUES

Container freight issues, including a shortage of containers, are reported by enterprises in multiple industries. This problem arose as China's exports to European countries had been actively restoring beginning from
spring 2020, while the reverse flow had been limited due to quarantine restrictions effective in Europe. This drastically distorted global container transportation flows, which entailed the shortage of containers and, accordingly, increased cargo transportation periods and costs.

A temporary deficit of raw materials due to supply disruptions is reported by metal product manufacturers, enterprises engaged in maintenance and repair of special vehicles in Udmurtia, and construction material producers in the Leningrad Region. According to companies in the North-West, Siberia, and the Urals, the shortage of containers delayed shipments of their finished goods. Specifically, a regional holding in the Urals selling construction products and goods for cottages and gardens changed its procurement policy and partially refocused its business from Chinese products to expand the sales of goods manufactured in Central Russia. A range of auto dealers and maintenance centres in Siberia also complain about supply delays, reporting a significant increase in delivery periods for car components. Companies in the Far Eastern macro-region report a shortage of containers for both sea and railway transportation, noting that a wide range of enterprises in multiple industries are facing logistics problems. In particular, a pharmaceutical manufacturer in the Khabarovsky Territory is experiencing troubles with medical ampoules delivery from China. Waiting for containers for a long time, a poultry farm in the Kamchatka Territory had to face problems with egg shipping, which entailed a temporary reduction in supply in the local market.

**LONGER TIME FOR CARGO CUSTOMS CLEARANCE**

In addition to the shortage of containers, it is hard to meet delivery deadlines due to customs control tightened because of the need to verify compliance with anti-epidemic requirements. For instance, a large Siberian forestry enterprise reports that railway vehicles with lumber are standing idle at stations and border terminals due to quarantine restrictions and new rules for cargo and container disinfection. Fisheries in the North-Western macro-region complain that in order to export their fish products they still need to pass time-consuming inspections carried out by China being the main end consumer.

Companies in the Far Eastern macro-region also report that China is still applying tough anti-epidemic restrictions. As a result, there are queues at automobile border checkpoints, which affects both regular supplies of imported products to the region and goods delivery periods. In particular, these restrictions entailed a temporary surge in fruit and vegetable prices in the Far Eastern macro-region. Moreover, companies emphasise that the transport flow has expanded: the number of trucks crossing the border increased to nearly one hundred in April 2021 compared to 60 on average in early March and 40 at the beginning of February.

A Far Eastern gold mining enterprise is concerned about a cargo stoppage at the port in Vladivostok. This may cause serious problems with the timely delivery of fuel, consumables and spare parts for equipment. Motor vehicles may only be used during the period from January to April, while in summer goods are only delivered by light airplanes and helicopters.

Extended transit periods due to longer cargo processing at ports and queues at border checkpoints are delaying container returns, among other things, thus exacerbating the problem of their deficit. In turn, this increases cargo transportation costs. Specifically, the cost of delivery per container from China to Saint Petersburg surged more than five times in March 2021 as compared to the period before October 2020. Tariffs for transportation from the ports of Saint Petersburg and the Leningrad Region also rose.

Companies in the Southern and North-Western macro-regions report an increase in their costs
caused by more expensive transportation. In particular, representatives of large poultry farms in Crimea and North Ossetia believe that prices for packaging materials may rise by up to 20% driven by higher transportation costs and global prices for raw materials (cellulose and polymers). Enterprises in the Kaliningrad Region are concerned about disruptions in the supplies of Chinese polymer granules used to manufacture film and explain this by the growth of transportation costs. Nevertheless, Far Eastern enterprises report that the situation has been improving slightly, although slowly: China has resumed sea container transportation at the 'basic' tariff (with no additional charges), and transportation prices that earlier surged tenfold have started to slowly edge down. As the epidemic situation normalises worldwide and the economic recovery becomes more even, the situation will continue to improve gradually.

LOCKDOWNS IN RUSSIA’S TRADING PARTNERS
Resurgences in coronavirus cases and, accordingly, the reintroduction of restrictions worldwide entail local supply and demand mismatches and disruptions in established trade and production chains. Some of them are only temporary, while others have become permanent. Temporary disruptions in supplies of raw materials and finished goods due to lockdowns in Russia’s trading partners are reported by companies in the Central, Volga-Vyatka, and Siberian macro-regions. This is adversely affecting their current operations, often considerably increasing order delivery time and thus worsening their financial standing.

Specifically, motor vehicle manufacturers in the Central macro-region report that they are forced to reject orders due to shortages of imported components induced by lockdowns in Europe and Asia. Component delivery periods exceed order deadlines. A number of machine-building and metallurgical enterprises in the Volga-Vyatka macro-region complain about output reductions and risks of suspension of their operation due to disrupted supplies from Europe.

Long-lasting quarantine restrictions in a range of European countries caused delays in the delivery of spare parts for imported equipment to Siberian companies. In particular, printed product manufacturers report that the delivery of spare parts for printing machines from Germany used to take no more than seven days, while today they may only receive required components no earlier than in three weeks. In some cases, this causes equipment outages and delays order delivery. Agricultural machinery and equipment manufacturers report a twofold increase in the periods for component delivery from European countries (Spain and Italy). Chicken egg producers note that disruptions in the supplies of imported day-old chicks caused by the bird flu epidemic in the Netherlands at the end of 2020 made them prolong the life of laying hens, which reduced their egg-laying capacity, made the egg shell more fragile, and increased egg rejection rates.

Siberian medicine manufacturers are concerned about increases in costs and delivery periods of raw materials and substances imported from China. This is induced by the partial closure of transportation routes (primarily, rail routes) and the ban on movements in a number of Chinese provinces, which delays deliveries or requires cargo forwarding by air via Moscow.

Striving to mitigate the adverse consequences of the existing disruptions in established logistics chains, companies often decide to increase the number of their counterparties. Moreover, a range of companies in the Ural and Volga-Vyatka macro-regions selling clothing and footwear report that long-lasting lockdowns in Russia’s trading partners have partially broken earlier established business relations.
GLOBAL DEFICIT OF A RANGE OF PRODUCTS
A global deficit of a range of products has become another serious consequence of the pandemic and is still affecting demand and supply in Russia. Specifically, motor transport companies in the Central macro-region believe that a global shortage of semiconductor components, including microcircuits, is one of the most significant challenges of 2021. It was induced by both the surge in the demand for equipment in 2020 and the redistribution of supply chains amid the trade wars between the USA and China. The shortage of semiconductor components has entailed a temporary outage of automobile plants worldwide and the resulting deficit in the market.

SHORTAGES OF MIGRANT WORKERS
Besides disruptions in logistics chains in a number of regions, shortages of migrant workers are also inducing serious constraints for supply increases. This problem was earlier covered in the February issue of the report Regional Economy: Commentaries by Bank of Russia Main Branches describing in detail the limited supply of manpower in construction, mining and quarrying, and agriculture. Construction companies in Tatarstan, as well as enterprises in the Central and Ural macro-regions again reported staff shortages as a serious problem limiting supply.

LIMITED CAPACITIES
Limited production capacities are the third significant reason leading to supply lagging behind demand, according to enterprises in a number of macro-regions (the Ural, Central, and Volga-Vyatka macro-regions). Without expanding their production capacities, they are unable to raise output to the level sufficient to meet the increased demand for their goods. In particular, this problem is reported by largest iron and steel enterprises in the Chelyabinsk and Sverdlovsk Regions, a major petrochemical complex in the Tyumen Region, and carmakers and machinery and equipment manufacturers in the Volga-Vyatka macro-region.
Chart 1. Output growth in December 2020–February 2021, % on 2019 Q4 (SA)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Output growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>-1.0</td>
</tr>
<tr>
<td>Processing, total</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Consumer goods</strong></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6.8</td>
</tr>
<tr>
<td>Food products</td>
<td>1.5</td>
</tr>
<tr>
<td>Non-food goods</td>
<td>19.5</td>
</tr>
<tr>
<td>Medicines</td>
<td>65.9</td>
</tr>
<tr>
<td>Furniture</td>
<td>17.1</td>
</tr>
<tr>
<td>Textile</td>
<td>13.7</td>
</tr>
<tr>
<td>Leather goods</td>
<td>-5.1</td>
</tr>
<tr>
<td>Printed products</td>
<td>-2.4</td>
</tr>
<tr>
<td>Flour and cereals</td>
<td>-2.8</td>
</tr>
<tr>
<td><strong>Investment goods</strong></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.7</td>
</tr>
<tr>
<td>Construction materials</td>
<td>-2.3</td>
</tr>
<tr>
<td>Machine-building</td>
<td>10.1</td>
</tr>
<tr>
<td>Transport, other than motor vehicles</td>
<td>12.2</td>
</tr>
<tr>
<td>Motor vehicles, other than cars</td>
<td>11.3</td>
</tr>
<tr>
<td>Wood products</td>
<td>10.8</td>
</tr>
<tr>
<td>Metal products</td>
<td>-6.9</td>
</tr>
<tr>
<td>Electric equipment</td>
<td>-2.1</td>
</tr>
<tr>
<td>Stone dressing</td>
<td>-19.2</td>
</tr>
<tr>
<td><strong>Intermediate goods</strong></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-1.9</td>
</tr>
<tr>
<td>Rubber and plastics</td>
<td>12.1</td>
</tr>
<tr>
<td>Chemicals</td>
<td>11.2</td>
</tr>
<tr>
<td>Paper</td>
<td>2.8</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>-6.9</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>-1.3</td>
</tr>
<tr>
<td>Wood processing</td>
<td>-0.4</td>
</tr>
</tbody>
</table>

Note: the green colour highlights industries with largest output increases compared to pre-pandemic levels, while companies with largest output reductions are highlighted in red.

Sources: Rosstat, Bank of Russia calculations.
BOX 2.
CURRENT SITUATION IN THE MOTOR FUEL MARKET

In 2021 Q1, fuel price growth sped up in Russian regions and the country in general, which was associated with external economic and domestic regulatory factors. According to the Bank of Russia's monitoring, this entailed cost rises for companies in multiple industries and made them increase their price expectations. In order to limit petroleum product price growth while maintaining the balance of producers' and consumers' interests, the Russian Government is taking measures to expand motor fuel supply in the domestic market and adjust the damper mechanism. Market participants in Russian regions believe that these measures will help slow down price growth and support producers and retail traders.

PRICE DYNAMICS

In March 2021, the annual growth of motor petrol and diesel fuel prices in Russia reached 5.2% and 3.0%, respectively, which is 2.7 pp and 1.2 pp higher than in December 2020. The faster growth of motor fuel prices was driven by increases in global prices for oil and petroleum products, accompanied by a rise in export parity prices, the annual adjustment from 1 January of excise duties and damper mechanism parameters, and reviving demand amid the stabilising epidemic situation (Chart 1).

These country-wide factors accelerated the growth of motor fuel prices in almost all Russian regions (Chart 2). The only exceptions were Yakutia and Chukotka where petroleum product supply is formed from annual inventories due to the special economic and geographical position of these regions, with regional authorities indexing prices three times a year (in January, June, and October).

Changes in pricing conditions generated proinflationary pressure in the retail market of petroleum products, simultaneously affecting the profit margin in the fuel business. According to the monitoring of companies carried out by the Bank of Russia, the conditions of independent filling stations' operation worsened most significantly. On the one hand, there was a considerable rise in prices for petroleum products purchased in the wholesale market (from oil refineries owned by vertically integrated companies (VICs), traders, and at the commodity exchange). Often, filling stations are quite distant from the suppliers of motor fuel of appropriate quality, and increased transportation and logistics costs were putting additional pressure on prices. Specifically, the significant impact of this component of costs was emphasised by fuel companies in Sakhalin and the Far Eastern macro-region in general, as well as in the Siberian, Volga-Vyatka, and Southern macro-regions, and in the northern areas of the North-Western macro-region. As regards the Ural macro-region, price growth rates were lower in the areas of location of large oil refineries.

On the other hand, competition with filling stations owned by VICs has become tighter since they account for the largest portion in retail volumes, although their number is less than that of independent filling stations. As a result, their profit margin declined or even turned negative. For instance, independent filling stations in the Volga-Vyatka macro-region report that petrol sales were loss-making.

Episodes of a local motor fuel deficit were an additional factor pushing up prices. In particular, the shortage experienced by the Far Eastern macro-region in February was caused by repairs at one of the two macro-region's oil refineries. Independent filling stations in the Volga-Vyatka macro-region reported shortages of petroleum products resulting from low limits on their sales in
the domestic market established for large oil refineries.

IMPACT ON PRICE EXPECTATIONS OF COMPANIES – PETROLEUM PRODUCTS CONSUMERS
The growth of motor fuel prices dramatically affected companies’ inflation expectations in multiple industries. In recent months, almost all regions recorded increases in the percentage of respondents believing that faster rises in petroleum product prices were a substantial factor pushing up costs. In turn, this made companies revise their prices upwards. The portion of enterprises announcing their intent to raise prices for their products in the coming months has been increasing beginning from early 2021. Price expectations increased most considerably in agriculture, construction, transportation, and storage.

MEASURES TO STABILISE THE PETROLEUM PRODUCT MARKET
The Russian Government has implemented a range of measures to offset pressure on petroleum products supply and prices and to balance the interests of producers and consumers.
From March 2021, the limits on petrol and diesel fuel sales at the exchange increased for largest fuel companies, specifically from 10% to 11% and from 6% to 7.5% of output, respectively. It is also expected that medium-sized and small petroleum product manufacturers will be obliged to sell a certain part of their products at the exchange.
In order to ensure sufficient supply to meet seasonal rises in the demand for motor fuel, including due to sowing, oil refineries were recommended to increase their petrol inventories at oil refineries and oil terminals (accumulated to cover temporary demand and supply gaps) to 1.6–1.7 million tons by 1 May and 1.8 million tons by 1 June. According to the Russian Ministry of Energy, petrol stocks increased by more than one-third by 21 March, as compared to the beginning of February, to reach 1.6 million tons. Petroleum product manufacturers in the Volga-Vyatka macro-region are planning to expand output. Seeking to smooth out supply fluctuations, a number of VICs operating in the Siberian macro-region have amended their repair schedules.
Beginning from 1 May, the Russian Government is going to adjust the functioning of the damper mechanism by reducing the domestic reference price for petrol, which will make it possible to raise the level of budget-funded compensations for oil refineries.

IMPACT ON COMPANIES’ PRICE EXPECTATIONS
Fuel market participants expect that the implemented measures will support motor fuel producers’ and traders’ profit margin, on the one hand, and limit the growth of fuel prices affecting consumers, on the other hand. According to the Bank of Russia’s monitoring, some oil refineries are not going to revise wholesale prices for motor fuel (in the Central and North-Western Federal Districts), while others intend to raise their prices either within the inflation rate (the Ural macro-region) or by 2–3% (the Volga-Vyatka macro-region). Retail traders improved their expectations. In particular, independent filling stations in the Volga-Vyatka macro-region expect wholesale prices for motor fuel to edge down after the adjustment of the damper parameters, which will enable them to compensate for losses incurred over the first months of 2021. Retail traders in the Siberian macro-region forecast that motor fuel prices will stabilise in May–June.
Chart 1. AI-92 petrol prices, RUB/litre

Sources: Rosstat, Bank of Russia calculations.

Chart 2. Consumer prices for AI-92 petrol in federal districts and Russia in general, RUB/litre

Source: Rosstat.
## ANNEX

### CORE ECONOMIC INDICATORS

**Core indicators. Russia**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>% YoY</td>
<td>3.0</td>
<td>4.9</td>
<td>2.5</td>
<td>3.2</td>
<td>3.7</td>
<td>4.9</td>
<td>5.8</td>
<td>5.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Core inflation</td>
<td>% YoY</td>
<td>3.1</td>
<td>4.2</td>
<td>2.6</td>
<td>2.9</td>
<td>3.3</td>
<td>4.2</td>
<td>5.4</td>
<td>4.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Industrial production</td>
<td>3MMA, % YoY</td>
<td>3.4</td>
<td>-2.6</td>
<td>2.6</td>
<td>-6.7</td>
<td>-4.8</td>
<td>-1.7</td>
<td>-0.3</td>
<td>-1.0</td>
<td></td>
</tr>
<tr>
<td>Fixed capital investment</td>
<td>Cumulative, % YoY</td>
<td>2.1</td>
<td>-1.4</td>
<td>3.5</td>
<td>-1.8</td>
<td>-3.1</td>
<td>-1.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>3MMA, % YoY</td>
<td>2.1</td>
<td>0.1</td>
<td>2.8</td>
<td>-3.9</td>
<td>1.1</td>
<td>0.8</td>
<td>0.7</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Housing commissioning</td>
<td>3MMA, % YoY</td>
<td>6.2</td>
<td>0.2</td>
<td>4.0</td>
<td>-17.0</td>
<td>7.7</td>
<td>2.2</td>
<td>2.7</td>
<td>-0.6</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>3MMA, % YoY</td>
<td>1.9</td>
<td>-4.1</td>
<td>4.4</td>
<td>-16.0</td>
<td>-1.6</td>
<td>-2.8</td>
<td>-2.4</td>
<td>-1.9</td>
<td></td>
</tr>
<tr>
<td>Commercial services</td>
<td>3MMA, % YoY</td>
<td>0.5</td>
<td>-17.1</td>
<td>-1.9</td>
<td>-36.1</td>
<td>-17.3</td>
<td>-12.7</td>
<td>-11.2</td>
<td>-8.7</td>
<td></td>
</tr>
<tr>
<td>Real wages</td>
<td>3MMA, % YoY</td>
<td>4.8</td>
<td>2.5</td>
<td>6.2</td>
<td>-0.1</td>
<td>1.8</td>
<td>2.2</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real disposable income</td>
<td>% YoY</td>
<td>1.7</td>
<td>-3.0</td>
<td>1.8</td>
<td>-8.0</td>
<td>-4.3</td>
<td>-1.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding consumer loans</td>
<td>% YoY</td>
<td>17.6</td>
<td>7.0</td>
<td>19.3</td>
<td>10.5</td>
<td>7.9</td>
<td>7.0</td>
<td>6.9</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>Outstanding mortgage loans</td>
<td>% YoY</td>
<td>19.2</td>
<td>21.6</td>
<td>15.9</td>
<td>15.1</td>
<td>20.1</td>
<td>21.6</td>
<td>21.8</td>
<td>22.2</td>
<td></td>
</tr>
<tr>
<td>Non-financial organisations’ outstanding bank loans</td>
<td>% YoY</td>
<td>4.7</td>
<td>9.4</td>
<td>7.8</td>
<td>8.5</td>
<td>10.0</td>
<td>9.4</td>
<td>9.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Large borrowers</td>
<td>% YoY</td>
<td>3.5</td>
<td>7.4</td>
<td>7.2</td>
<td>8.0</td>
<td>7.6</td>
<td>7.4</td>
<td>7.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SMEs</td>
<td>% YoY</td>
<td>12.9</td>
<td>21.9</td>
<td>11.8</td>
<td>11.9</td>
<td>25.5</td>
<td>21.9</td>
<td>23.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies’ price expectations</td>
<td>Balance of responses, SA</td>
<td>10.2</td>
<td>16.5</td>
<td>13.4</td>
<td>16.9</td>
<td>16.0</td>
<td>19.6</td>
<td>19.4</td>
<td>18.4</td>
<td>19.1</td>
</tr>
<tr>
<td>Business Climate Index</td>
<td>pp YoY</td>
<td>1.0</td>
<td>-8.0</td>
<td>-9.5</td>
<td>-14.7</td>
<td>-1.9</td>
<td>-5.9</td>
<td>-0.9</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>• Current estimates</td>
<td>pp YoY</td>
<td>0.5</td>
<td>-7.9</td>
<td>-6.7</td>
<td>-19.0</td>
<td>-1.1</td>
<td>-4.9</td>
<td>-0.6</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>• Expectations</td>
<td>pp YoY</td>
<td>1.5</td>
<td>-7.9</td>
<td>-12.4</td>
<td>-9.5</td>
<td>-2.6</td>
<td>-6.9</td>
<td>-1.3</td>
<td>5.9</td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.*
## Core indicators. Main Branch for the Central Federal District

*Table 2*

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>% YoY</td>
<td>3.0</td>
<td>4.7</td>
<td>2.3</td>
<td>3.1</td>
<td>3.5</td>
<td>4.7</td>
<td>5.7</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Core inflation</td>
<td>% YoY</td>
<td>3.2</td>
<td>4.2</td>
<td>2.5</td>
<td>2.8</td>
<td>3.1</td>
<td>4.2</td>
<td>5.5</td>
<td>4.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Industrial production</td>
<td>3MMA, % YoY</td>
<td>7.4</td>
<td>5.2</td>
<td>5.1</td>
<td>-3.7</td>
<td>3.7</td>
<td>12.0</td>
<td></td>
<td>14.7</td>
<td>12.1</td>
</tr>
<tr>
<td>Fixed capital investment</td>
<td>Cumulative, % YoY</td>
<td>15.0</td>
<td>-3.4</td>
<td>0.7</td>
<td>-5.4</td>
<td>-7.6</td>
<td>-3.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>3MMA, % YoY</td>
<td>4.9</td>
<td>10.8</td>
<td>3.4</td>
<td>-1.4</td>
<td>14.6</td>
<td>20.1</td>
<td>15.1</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Housing commissioning</td>
<td>3MMA, % YoY</td>
<td>8.1</td>
<td>-0.8</td>
<td>1.7</td>
<td>-32.7</td>
<td>-17.1</td>
<td>26.0</td>
<td>23.5</td>
<td>12.2</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>3MMA, % YoY</td>
<td>2.3</td>
<td>-3.2</td>
<td>5.1</td>
<td>-16.0</td>
<td>0.3</td>
<td>-1.9</td>
<td>-1.1</td>
<td>-0.4</td>
<td></td>
</tr>
<tr>
<td>Commercial services</td>
<td>3MMA, % YoY</td>
<td>2.6</td>
<td>-21.9</td>
<td>-2.6</td>
<td>-40.5</td>
<td>-24.1</td>
<td>-19.2</td>
<td>-17.3</td>
<td>-14.3</td>
<td></td>
</tr>
<tr>
<td>Real wages</td>
<td>3MMA, % YoY</td>
<td>6.2</td>
<td>3.4</td>
<td>7.6</td>
<td>-1.2</td>
<td>2.6</td>
<td>4.3</td>
<td>3.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real disposable income</td>
<td>% YoY</td>
<td>2.8</td>
<td>-2.4</td>
<td>2.4</td>
<td>-8.4</td>
<td>-3.8</td>
<td>0.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding consumer loans</td>
<td>% YoY</td>
<td>17.3</td>
<td>5.2</td>
<td>18.9</td>
<td>9.2</td>
<td>6.4</td>
<td>5.2</td>
<td>5.3</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Outstanding mortgage loans</td>
<td>% YoY</td>
<td>24.2</td>
<td>24.4</td>
<td>20.4</td>
<td>18.0</td>
<td>22.9</td>
<td>24.4</td>
<td>24.5</td>
<td>24.7</td>
<td></td>
</tr>
<tr>
<td>Non-financial organisations’ outstanding bank loans</td>
<td>% YoY</td>
<td>4.4</td>
<td>11.1</td>
<td>9.4</td>
<td>11.2</td>
<td>13.0</td>
<td>11.1</td>
<td>11.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Large borrowers</td>
<td>% YoY</td>
<td>2.6</td>
<td>10.6</td>
<td>8.9</td>
<td>11.2</td>
<td>11.9</td>
<td>10.6</td>
<td>10.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SMEs</td>
<td>% YoY</td>
<td>20.5</td>
<td>15.2</td>
<td>14.0</td>
<td>11.7</td>
<td>22.9</td>
<td>15.2</td>
<td>17.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies’ price expectations</td>
<td>Balance of responses, SA</td>
<td>11.9</td>
<td>18.8</td>
<td>14.5</td>
<td>19.0</td>
<td>18.4</td>
<td>23.1</td>
<td>23.2</td>
<td>21.4</td>
<td>22.1</td>
</tr>
<tr>
<td>Business Climate Index</td>
<td>pp YoY</td>
<td>-0.1</td>
<td>-7.2</td>
<td>-8.5</td>
<td>-15.6</td>
<td>0.4</td>
<td>-5.2</td>
<td>-4.2</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>(Bank of Russia’s monitoring of businesses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Current estimates</td>
<td>pp YoY</td>
<td>-0.6</td>
<td>-7.3</td>
<td>-3.8</td>
<td>-21.5</td>
<td>0.8</td>
<td>-4.6</td>
<td>-4.1</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>• Expectations</td>
<td>pp YoY</td>
<td>0.5</td>
<td>-7.1</td>
<td>-13.7</td>
<td>-8.7</td>
<td>-0.1</td>
<td>-5.9</td>
<td>-4.3</td>
<td>5.6</td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.*
### Table 3

<table>
<thead>
<tr>
<th>Core indicators. North-Western Main Branch</th>
<th>2019 Q4</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation % YoY</td>
<td>3.0</td>
<td>4.8</td>
<td>2.9</td>
<td>3.1</td>
<td>3.6</td>
<td>4.8</td>
<td>5.4</td>
<td>4.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Core inflation % YoY</td>
<td>3.2</td>
<td>4.0</td>
<td>2.9</td>
<td>2.8</td>
<td>3.4</td>
<td>4.0</td>
<td>5.2</td>
<td>4.3</td>
<td>4.8</td>
</tr>
<tr>
<td>Industrial production 3MMA, % YoY</td>
<td>3.4</td>
<td>-3.0</td>
<td>1.5</td>
<td>-8.3</td>
<td>-5.0</td>
<td>-2.1</td>
<td>-1.1</td>
<td>-0.5</td>
<td></td>
</tr>
<tr>
<td>Fixed capital investment Cumulative, % YoY</td>
<td>-15.9</td>
<td>-0.3</td>
<td>-12.0</td>
<td>-7.6</td>
<td>-3.2</td>
<td>-0.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction 3MMA, % YoY</td>
<td>-9.4</td>
<td>-10.2</td>
<td>2.4</td>
<td>-4.7</td>
<td>-12.5</td>
<td>-18.5</td>
<td>-16.3</td>
<td>-14.0</td>
<td></td>
</tr>
<tr>
<td>Housing commissioning 3MMA, % YoY</td>
<td>-1.3</td>
<td>-2.9</td>
<td>-23.9</td>
<td>-14.8</td>
<td>36.7</td>
<td>-8.4</td>
<td>2.7</td>
<td>-0.1</td>
<td></td>
</tr>
<tr>
<td>Retail 3MMA, % YoY</td>
<td>2.0</td>
<td>-0.5</td>
<td>5.9</td>
<td>-11.7</td>
<td>2.9</td>
<td>1.0</td>
<td>0.2</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Commercial services 3MMA, % YoY</td>
<td>0.0</td>
<td>-16.3</td>
<td>-3.2</td>
<td>-33.4</td>
<td>-16.8</td>
<td>-11.6</td>
<td>-11.0</td>
<td>-8.6</td>
<td></td>
</tr>
<tr>
<td>Real wages 3MMA, % YoY</td>
<td>1.0</td>
<td>0.9</td>
<td>4.3</td>
<td>-1.5</td>
<td>1.0</td>
<td>0.2</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real disposable income % YoY</td>
<td>0.7</td>
<td>-0.8</td>
<td>2.4</td>
<td>-3.3</td>
<td>-2.7</td>
<td>0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding consumer loans % YoY</td>
<td>18.4</td>
<td>6.8</td>
<td>19.5</td>
<td>10.3</td>
<td>7.7</td>
<td>6.8</td>
<td>6.5</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>Outstanding mortgage loans % YoY</td>
<td>21.5</td>
<td>21.8</td>
<td>17.6</td>
<td>16.1</td>
<td>20.9</td>
<td>21.8</td>
<td>22.0</td>
<td>22.2</td>
<td></td>
</tr>
<tr>
<td>Non-financial organisations' outstanding bank loans % YoY</td>
<td>3.0</td>
<td>9.2</td>
<td>-0.6</td>
<td>-0.8</td>
<td>1.6</td>
<td>9.2</td>
<td>9.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Large borrowers % YoY</td>
<td>3.0</td>
<td>1.9</td>
<td>-0.3</td>
<td>-1.7</td>
<td>-5.2</td>
<td>1.9</td>
<td>1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SMEs % YoY</td>
<td>3.3</td>
<td>52.1</td>
<td>-2.4</td>
<td>3.8</td>
<td>47.0</td>
<td>52.1</td>
<td>52.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies’ price expectations Balance of responses, SA</td>
<td>11.1</td>
<td>17.1</td>
<td>13.0</td>
<td>19.1</td>
<td>16.5</td>
<td>19.7</td>
<td>19.5</td>
<td>18.7</td>
<td>20.3</td>
</tr>
<tr>
<td>Business Climate Index (Bank of Russia’s monitoring of businesses) pp YoY</td>
<td>0.4</td>
<td>-7.6</td>
<td>-9.9</td>
<td>-12.2</td>
<td>-2.0</td>
<td>-6.4</td>
<td>-1.7</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>• Current estimates pp YoY</td>
<td>0.2</td>
<td>-8.0</td>
<td>-7.9</td>
<td>-17.4</td>
<td>-1.3</td>
<td>-5.4</td>
<td>-0.9</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>• Expectations pp YoY</td>
<td>0.5</td>
<td>-7.1</td>
<td>-12.0</td>
<td>-6.3</td>
<td>-2.8</td>
<td>-7.4</td>
<td>-2.7</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.
### Core indicators. Volga-Vyatka Main Branch

**Table 4**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% YoY</td>
<td>2.8</td>
<td>5.5</td>
<td>2.6</td>
<td>3.5</td>
<td>4.1</td>
<td>5.5</td>
<td>6.2</td>
<td>5.6</td>
<td>6.1</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Core inflation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% YoY</td>
<td>3.1</td>
<td>4.7</td>
<td>2.8</td>
<td>3.2</td>
<td>3.6</td>
<td>4.7</td>
<td>5.9</td>
<td>5.0</td>
<td>5.5</td>
<td>5.9</td>
</tr>
<tr>
<td><strong>Industrial production</strong></td>
<td>3MMA, % YoY</td>
<td>2.8</td>
<td>-4.1</td>
<td>1.4</td>
<td>-10.5</td>
<td>-2.8</td>
<td>-3.8</td>
<td>-1.6</td>
<td>-1.4</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed capital investment</strong></td>
<td>Cumulative, % YoY</td>
<td>0.6</td>
<td>-3.8</td>
<td>-0.9</td>
<td>-5.3</td>
<td>-7.0</td>
<td>-3.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>3MMA, % YoY</td>
<td>2.8</td>
<td>-2.3</td>
<td>2.7</td>
<td>0.7</td>
<td>-1.8</td>
<td>-7.5</td>
<td>-4.1</td>
<td>-8.9</td>
<td></td>
</tr>
<tr>
<td><strong>Housing commissioning</strong></td>
<td>3MMA, % YoY</td>
<td>5.9</td>
<td>-5.8</td>
<td>7.1</td>
<td>-17.3</td>
<td>12.7</td>
<td>-18.0</td>
<td>-19.0</td>
<td>-16.3</td>
<td></td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>3MMA, % YoY</td>
<td>1.1</td>
<td>-4.8</td>
<td>4.7</td>
<td>-16.1</td>
<td>-3.3</td>
<td>-4.1</td>
<td>-4.5</td>
<td>-4.4</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial services</strong></td>
<td>3MMA, % YoY</td>
<td>0.2</td>
<td>-12.3</td>
<td>-1.7</td>
<td>-29.0</td>
<td>-11.6</td>
<td>-7.8</td>
<td>-6.4</td>
<td>-4.5</td>
<td></td>
</tr>
<tr>
<td><strong>Real wages</strong></td>
<td>3MMA, % YoY</td>
<td>2.3</td>
<td>1.9</td>
<td>5.3</td>
<td>-0.2</td>
<td>2.0</td>
<td>0.9</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Real disposable income</strong></td>
<td>% YoY</td>
<td>1.2</td>
<td>-2.8</td>
<td>2.7</td>
<td>-5.9</td>
<td>-4.7</td>
<td>-3.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outstanding consumer loans</strong></td>
<td>% YoY</td>
<td>17.6</td>
<td>7.1</td>
<td>19.4</td>
<td>10.3</td>
<td>7.8</td>
<td>7.1</td>
<td>6.9</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td><strong>Outstanding mortgage loans</strong></td>
<td>% YoY</td>
<td>14.9</td>
<td>19.7</td>
<td>12.2</td>
<td>11.9</td>
<td>17.6</td>
<td>19.7</td>
<td>19.9</td>
<td>20.4</td>
<td></td>
</tr>
<tr>
<td><strong>Non-financial organisations’ outstanding bank loans</strong></td>
<td>% YoY</td>
<td>-3.6</td>
<td>3.5</td>
<td>2.7</td>
<td>5.0</td>
<td>-0.3</td>
<td>3.5</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Large borrowers % YoY</td>
<td>-4.0</td>
<td>-2.5</td>
<td>2.1</td>
<td>4.5</td>
<td>-6.5</td>
<td>-2.5</td>
<td>-3.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SMEs % YoY</td>
<td>-2.2</td>
<td>24.3</td>
<td>4.7</td>
<td>6.8</td>
<td>22.5</td>
<td>24.3</td>
<td>24.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Companies’ price expectations</strong></td>
<td>Balance of responses, SA</td>
<td>11.4</td>
<td>18.5</td>
<td>22.6</td>
<td>15.3</td>
<td>22.1</td>
<td>18.8</td>
<td>24.8</td>
<td>21.0</td>
<td>23.1</td>
</tr>
<tr>
<td><strong>Business Climate Index (Bank of Russia’s monitoring of businesses)</strong></td>
<td>pp YoY</td>
<td>1.6</td>
<td>-9.7</td>
<td>-12.3</td>
<td>-17.2</td>
<td>-2.6</td>
<td>-6.6</td>
<td>-1.5</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>• Current estimates pp YoY</td>
<td>0.6</td>
<td>-10.1</td>
<td>-10.0</td>
<td>-23.6</td>
<td>-2.0</td>
<td>-4.9</td>
<td>-0.4</td>
<td>1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Expectations pp YoY</td>
<td>2.7</td>
<td>-8.9</td>
<td>-14.5</td>
<td>-9.7</td>
<td>-3.2</td>
<td>-8.4</td>
<td>-2.9</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.*
## Core indicators. Southern Main Branch

<table>
<thead>
<tr>
<th>Table 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Inflation</td>
</tr>
<tr>
<td>Core inflation</td>
</tr>
<tr>
<td>Industrial production</td>
</tr>
<tr>
<td>Fixed capital investment</td>
</tr>
<tr>
<td>Construction</td>
</tr>
<tr>
<td>Housing commissioning</td>
</tr>
<tr>
<td>Retail</td>
</tr>
<tr>
<td>Commercial services</td>
</tr>
<tr>
<td>Real wages</td>
</tr>
<tr>
<td>Real disposable income</td>
</tr>
<tr>
<td>Outstanding consumer loans</td>
</tr>
<tr>
<td>Outstanding mortgage loans</td>
</tr>
<tr>
<td>Non-financial organisations’ outstanding bank loans</td>
</tr>
<tr>
<td>• Large borrowers</td>
</tr>
<tr>
<td>• SMEs</td>
</tr>
<tr>
<td>Companies’ price expectations</td>
</tr>
<tr>
<td>Business Climate Index</td>
</tr>
<tr>
<td>• Current estimates</td>
</tr>
<tr>
<td>• Expectations</td>
</tr>
</tbody>
</table>

**Sources:** Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.
### Core indicators. Ural Main Branch

**Table 6**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation % YoY</td>
<td>3.1</td>
<td>4.4</td>
<td>2.6</td>
<td>3.0</td>
<td>3.4</td>
<td>4.4</td>
<td>5.2</td>
<td>4.7</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Core inflation % YoY</td>
<td>3.0</td>
<td>4.0</td>
<td>2.4</td>
<td>2.6</td>
<td>3.0</td>
<td>4.0</td>
<td>5.0</td>
<td>4.4</td>
<td>4.8</td>
<td>5.0</td>
</tr>
<tr>
<td>Industrial production 3MMA, % YoY</td>
<td>5.1</td>
<td>-2.7</td>
<td>3.0</td>
<td>-5.3</td>
<td>-6.1</td>
<td>-2.1</td>
<td>-1.7</td>
<td>-2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed capital investment Cumulative, % YoY</td>
<td>-3.0</td>
<td>1.5</td>
<td>17.7</td>
<td>11.9</td>
<td>5.9</td>
<td>1.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction 3MMA, % YoY</td>
<td>-6.2</td>
<td>6.4</td>
<td>17.3</td>
<td>3.0</td>
<td>15.7</td>
<td>-8.9</td>
<td>-14.2</td>
<td>-18.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing commissioning 3MMA, % YoY</td>
<td>8.3</td>
<td>2.9</td>
<td>7.4</td>
<td>-15.3</td>
<td>14.5</td>
<td>-5.1</td>
<td>-1.6</td>
<td>-0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail 3MMA, % YoY</td>
<td>1.5</td>
<td>-4.6</td>
<td>4.4</td>
<td>-13.1</td>
<td>-4.0</td>
<td>-5.3</td>
<td>-5.2</td>
<td>-4.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial services 3MMA, % YoY</td>
<td>-0.1</td>
<td>-17.5</td>
<td>-0.8</td>
<td>-36.0</td>
<td>-21.7</td>
<td>-11.8</td>
<td>-10.5</td>
<td>-8.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real wages 3MMA, % YoY</td>
<td>1.9</td>
<td>2.1</td>
<td>4.6</td>
<td>0.5</td>
<td>1.6</td>
<td>1.8</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real disposable income % YoY</td>
<td>1.3</td>
<td>-3.9</td>
<td>2.6</td>
<td>-6.2</td>
<td>-6.9</td>
<td>-4.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding consumer loans % YoY</td>
<td>17.7</td>
<td>7.8</td>
<td>19.5</td>
<td>11.2</td>
<td>8.9</td>
<td>7.8</td>
<td>7.7</td>
<td>7.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding mortgage loans % YoY</td>
<td>14.2</td>
<td>17.7</td>
<td>11.4</td>
<td>11.4</td>
<td>16.5</td>
<td>17.7</td>
<td>17.9</td>
<td>18.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-financial organisations’ outstanding bank loans % YoY</td>
<td>6.9</td>
<td>3.9</td>
<td>9.2</td>
<td>4.0</td>
<td>6.6</td>
<td>3.9</td>
<td>4.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large borrowers % YoY</td>
<td>7.0</td>
<td>1.1</td>
<td>8.3</td>
<td>2.4</td>
<td>3.9</td>
<td>1.1</td>
<td>1.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMEs % YoY</td>
<td>6.0</td>
<td>26.0</td>
<td>16.9</td>
<td>16.3</td>
<td>27.5</td>
<td>26.0</td>
<td>26.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies’ price expectations Balance of responses, SA</td>
<td>11.5</td>
<td>14.8</td>
<td>8.7</td>
<td>10.9</td>
<td>14.0</td>
<td>15.9</td>
<td>18.3</td>
<td>18.5</td>
<td>16.6</td>
<td>14.9</td>
</tr>
<tr>
<td>Business Climate Index (Bank of Russia’s monitoring of businesses) pp YoY</td>
<td>2.0</td>
<td>-9.5</td>
<td>-10.8</td>
<td>-15.8</td>
<td>-4.1</td>
<td>-7.3</td>
<td>-1.2</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current estimates pp YoY</td>
<td>1.2</td>
<td>-8.2</td>
<td>-8.6</td>
<td>-19.3</td>
<td>-1.0</td>
<td>-3.8</td>
<td>2.5</td>
<td>0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expectations pp YoY</td>
<td>2.9</td>
<td>-10.7</td>
<td>-12.8</td>
<td>-11.9</td>
<td>-7.3</td>
<td>-10.8</td>
<td>-5.9</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.*
## Core indicators. Siberian Main Branch

**Table 7**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% YoY</td>
<td>3.6</td>
<td>4.9</td>
<td>2.8</td>
<td>3.5</td>
<td>3.8</td>
<td>4.9</td>
<td>5.8</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Core inflation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% YoY</td>
<td>3.3</td>
<td>4.4</td>
<td>2.6</td>
<td>3.1</td>
<td>3.4</td>
<td>4.4</td>
<td>5.2</td>
<td>4.7</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Industrial production</strong></td>
<td>3MMA, % YoY</td>
<td>2.0</td>
<td>-4.1</td>
<td>-2.5</td>
<td>-5.8</td>
<td>-5.5</td>
<td>-4.5</td>
<td>-3.5</td>
<td>-2.9</td>
</tr>
<tr>
<td><strong>Fixed capital investment</strong></td>
<td>Cumulative, % YoY</td>
<td>7.8</td>
<td>1.9</td>
<td>5.4</td>
<td>2.4</td>
<td>-0.5</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>3MMA, % YoY</td>
<td>6.8</td>
<td>-6.0</td>
<td>-1.2</td>
<td>-11.2</td>
<td>-8.4</td>
<td>4.4</td>
<td>11.0</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>Housing commissioning</strong></td>
<td>3MMA, % YoY</td>
<td>4.6</td>
<td>0.4</td>
<td>1.5</td>
<td>-30.0</td>
<td>21.3</td>
<td>-2.5</td>
<td>-9.6</td>
<td>-15.6</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>3MMA, % YoY</td>
<td>2.7</td>
<td>-4.1</td>
<td>3.5</td>
<td>-11.1</td>
<td>-3.4</td>
<td>-4.7</td>
<td>-4.9</td>
<td>-3.8</td>
</tr>
<tr>
<td><strong>Commercial services</strong></td>
<td>3MMA, % YoY</td>
<td>0.6</td>
<td>-12.8</td>
<td>-2.6</td>
<td>-27.4</td>
<td>-12.2</td>
<td>-8.5</td>
<td>-6.7</td>
<td>-4.3</td>
</tr>
<tr>
<td><strong>Real wages</strong></td>
<td>3MMA, % YoY</td>
<td>2.4</td>
<td>2.7</td>
<td>3.6</td>
<td>1.9</td>
<td>2.7</td>
<td>1.9</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td><strong>Real disposable income</strong></td>
<td>% YoY</td>
<td>0.8</td>
<td>-2.4</td>
<td>-0.3</td>
<td>-3.0</td>
<td>-2.9</td>
<td>-3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outstanding consumer loans</strong></td>
<td>% YoY</td>
<td>15.9</td>
<td>9.1</td>
<td>18.9</td>
<td>11.6</td>
<td>9.3</td>
<td>9.1</td>
<td>9.1</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>Outstanding mortgage loans</strong></td>
<td>% YoY</td>
<td>15.8</td>
<td>18.9</td>
<td>11.9</td>
<td>12.5</td>
<td>18.0</td>
<td>18.9</td>
<td>19.0</td>
<td>19.6</td>
</tr>
<tr>
<td><strong>Non-financial organisations’ outstanding bank loans</strong></td>
<td>% YoY</td>
<td>3.8</td>
<td>5.2</td>
<td>6.2</td>
<td>8.2</td>
<td>11.0</td>
<td>5.2</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>• <strong>Large borrowers</strong></td>
<td>% YoY</td>
<td>2.1</td>
<td>1.8</td>
<td>5.2</td>
<td>7.9</td>
<td>9.0</td>
<td>1.8</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>• <strong>SMEs</strong></td>
<td>% YoY</td>
<td>11.9</td>
<td>19.5</td>
<td>10.7</td>
<td>9.7</td>
<td>20.4</td>
<td>19.5</td>
<td>22.4</td>
<td></td>
</tr>
<tr>
<td><strong>Companies’ price expectations</strong></td>
<td>Balance of responses, SA</td>
<td>8.6</td>
<td>15.8</td>
<td>12.9</td>
<td>17.1</td>
<td>15.3</td>
<td>18.0</td>
<td>18.2</td>
<td>16.4</td>
</tr>
<tr>
<td><strong>Business Climate Index</strong> (Bank of Russia’s monitoring of businesses)</td>
<td>pp YoY</td>
<td>1.8</td>
<td>-7.2</td>
<td>-6.8</td>
<td>-13.4</td>
<td>-2.8</td>
<td>-5.9</td>
<td>-4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>• <strong>Current estimates</strong></td>
<td>pp YoY</td>
<td>2.6</td>
<td>-8.4</td>
<td>-5.3</td>
<td>-19.8</td>
<td>-3.0</td>
<td>-5.5</td>
<td>-2.9</td>
<td>1.9</td>
</tr>
<tr>
<td>• <strong>Expectations</strong></td>
<td>pp YoY</td>
<td>0.9</td>
<td>-5.7</td>
<td>-8.2</td>
<td>-6.1</td>
<td>-2.5</td>
<td>-6.2</td>
<td>-5.3</td>
<td>6.1</td>
</tr>
</tbody>
</table>

*Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.*
<table>
<thead>
<tr>
<th>Core indicators. Far Eastern Main Branch</th>
<th>2019</th>
<th>2020</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation % YoY</td>
<td>3.8</td>
<td>5.0</td>
<td>3.2</td>
<td>3.7</td>
<td>3.9</td>
<td>5.0</td>
<td>5.3</td>
<td>4.9</td>
<td>4.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Core inflation % YoY</td>
<td>3.3</td>
<td>3.9</td>
<td>2.6</td>
<td>3.1</td>
<td>3.5</td>
<td>3.9</td>
<td>4.6</td>
<td>4.1</td>
<td>4.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Industrial production 3MMA, % YoY</td>
<td>6.3</td>
<td>-5.2</td>
<td>1.6</td>
<td>-6.9</td>
<td>-11.7</td>
<td>-3.1</td>
<td>-2.5</td>
<td>-3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed capital investment Cumulative, % YoY</td>
<td>8.2</td>
<td>-15.2</td>
<td>-13.8</td>
<td>-15.8</td>
<td>-18.6</td>
<td>-15.2</td>
<td>-2.5</td>
<td>-3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction 3MMA, % YoY</td>
<td>37.0</td>
<td>-12.5</td>
<td>-18.0</td>
<td>-17.1</td>
<td>-26.0</td>
<td>8.1</td>
<td>10.3</td>
<td>14.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing commissioning 3MMA, % YoY</td>
<td>8.6</td>
<td>3.4</td>
<td>-7.8</td>
<td>3.8</td>
<td>17.4</td>
<td>-1.5</td>
<td>6.8</td>
<td>22.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail 3MMA, % YoY</td>
<td>3.9</td>
<td>-3.5</td>
<td>3.5</td>
<td>-14.8</td>
<td>-2.0</td>
<td>-0.8</td>
<td>0.0</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial services 3MMA, % YoY</td>
<td>-2.1</td>
<td>-18.0</td>
<td>-4.8</td>
<td>-38.1</td>
<td>-15.8</td>
<td>-14.1</td>
<td>-12.8</td>
<td>-8.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real wages 3MMA, % YoY</td>
<td>3.3</td>
<td>1.4</td>
<td>4.9</td>
<td>0.6</td>
<td>-0.2</td>
<td>0.5</td>
<td>0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real disposable income % YoY</td>
<td>2.2</td>
<td>-2.4</td>
<td>2.8</td>
<td>-5.1</td>
<td>-4.4</td>
<td>-2.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding consumer loans % YoY</td>
<td>16.7</td>
<td>9.2</td>
<td>19.4</td>
<td>11.9</td>
<td>9.7</td>
<td>9.2</td>
<td>9.1</td>
<td>9.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding mortgage loans % YoY</td>
<td>20.2</td>
<td>23.8</td>
<td>17.8</td>
<td>18.7</td>
<td>22.7</td>
<td>23.8</td>
<td>24.2</td>
<td>24.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-financial organisations' outstanding bank loans % YoY</td>
<td>29.9</td>
<td>32.2</td>
<td>28.7</td>
<td>29.7</td>
<td>30.0</td>
<td>32.2</td>
<td>35.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Large borrowers % YoY</td>
<td>27.4</td>
<td>32.7</td>
<td>23.2</td>
<td>25.2</td>
<td>25.3</td>
<td>32.7</td>
<td>37.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SMEs % YoY</td>
<td>40.2</td>
<td>30.4</td>
<td>51.6</td>
<td>47.0</td>
<td>49.1</td>
<td>30.4</td>
<td>26.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Companies’ price expectations Balance of responses, SA</td>
<td>8.5</td>
<td>14.3</td>
<td>13.2</td>
<td>15.0</td>
<td>13.4</td>
<td>15.8</td>
<td>15.4</td>
<td>16.4</td>
<td>14.7</td>
<td>15.0</td>
</tr>
<tr>
<td>Business Climate Index (Bank of Russia’s monitoring of businesses) pp YoY</td>
<td>-1.3</td>
<td>-2.9</td>
<td>-8.5</td>
<td>-10.3</td>
<td>-4.0</td>
<td>-7.1</td>
<td>-1.2</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Current estimates pp YoY</td>
<td>0.7</td>
<td>-11.2</td>
<td>-7.0</td>
<td>-16.8</td>
<td>-4.4</td>
<td>-8.1</td>
<td>-0.3</td>
<td>-0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Expectations pp YoY</td>
<td>-3.2</td>
<td>5.9</td>
<td>-10.2</td>
<td>-2.9</td>
<td>-3.6</td>
<td>-6.2</td>
<td>-2.2</td>
<td>2.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Bank of Russia’s monitoring of businesses, Rosstat, calculations by the Bank of Russia Main Branches.