



**THE CENTRAL BANK  
OF THE RUSSIAN FEDERATION  
(BANK OF RUSSIA)**

# **Quarterly Inflation Review**

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***2011 Q4***

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**Research and Information Department**

*The electronic version of Quarterly Inflation Review is available on the Bank of Russia's website:  
<http://www.cbr.ru/publ/>.*

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## Introduction

In 2011, economic growth continued, with GDP reaching the level of 2008. While external demand for Russian products remained weak, production growth was supported by higher consumer and investment demand. However, according to estimates, the demand was still below the potential output.

Over 2011, the inflation rate of 6.1% was in line with the target (6–7%) established in the Guidelines for the Single State Monetary Policy in 2011 and for 2012 and 2013. In 2011 Q4, consumer price growth continued to slow down due to lower growth of food prices (generally due to noticeably lower fruit and vegetable prices).

In 2011 Q4 and early 2012, the Bank of Russia pursued monetary policy taking into account lower inflation and uncertainties of external economic developments which created risks for sustainable growth of the Russian economy. In October–November 2011, the Bank of Russia did not change interest rates on liquidity provision and absorption operations. Based on assessment of risk and in view of the need to ensure stability of the banking sector in a transition from a surplus to a deficit of liquidity, efforts were made to facilitate access of credit institutions to refinancing instruments. In December 2011, while maintaining a neutral stance of monetary policy, the Bank of Russia narrowed the interest rate band by symmetrically lowering fixed interest rates on individual refinancing instruments and raising fixed interest rates on deposit operations to contain vol-

atility of money market rates. In February 2012, the Bank of Russia did not change interest rates on its operations.

In 2011 Q4, against the backdrop of worsening debt crisis in the eurozone and instability of the global financial market, the banking sector still had a deficit of ruble funds, only to affect the situation in the domestic money market and capital market. A rising demand for funding and declining demand for securities triggered an interest rate growth in the money market and credit and deposit markets, with a downward pressure on stock market prices.

Until late 2011, continued high credit activity in the banking sector was the main factor behind the dynamics of money supply. The increase in banking sector net foreign assets also contributed to money supply growth. In 2011, the impact of the fiscal factor on money supply changed. A significant decrease in net claims to the general government from the Bank of Russia (largely because of funds accumulated in Bank of Russia accounts) had a considerable containing effect on money supply dynamics.

For most of 2011, monetary aggregate dynamics suggested a gradual decrease in inflation risks attributable to monetary factors. Intensive decline of annual growth rates of money supply suspended in the closing months of 2011 which may result in accumulation of moderate upward inflation risks in the medium term.

## Inflation Dynamics

Over 2011, the inflation rate of 6.1% was in line with the target (6–7%) established in the Guidelines for the Single State Monetary Policy in 2011 and for 2012 and 2013.

Higher inflationary pressure from demand was due to accelerated producer price growth in mining prompted by rising energy prices in the global market. At the same time, according to estimates, aggregate demand was still below the potential output and did not affect excessive price pressure. Growth of agricultural output supported by stable or declining agricultural prices in the global market had a favorable impact on price dynamics in the domestic food market. The nominal effective exchange rate of the ruble which increased over the year also contained price growth.

### Consumer prices

In 2011, according to the Federal State Statistics Service, consumer price growth was 6.1%, or 2.7 percentage points lower than in the previous year. The core inflation as in the previous year amounted to 6.6%. In 2011, according to estimates, a rise in the prices of goods and services included into its calculation accounted for 5.3 percentage points, or 86.6% of inflation rate as compared with 5.3 percentage points, or 60.3% in 2010.

Lower inflation in 2011 as compared with the previous year was primarily due to a 24.7% decrease of fruit and vegetable prices (over the

previous year, the relevant prices rose by 45.6%), with an estimated downward effect of 1.0 percentage point, or 16.9%. In 2010, the price growth in this group of foodstuffs pushed inflation up 1.6 percentage points, or 18.7%.

In 2011, prices of food other than fruit and vegetables increased by 7.4% (9.4% in 2010). According to estimates, a price rise in this group accounted for 2.5 percentage points, or 41.3% of the inflation rate (estimated at 3.3 percentage points, or 37.0% in 2010), with the most significant increase of 8.9–10.3% observed in bread and bakery products, meat and poultry, fish and seafood (4.8–7.6% in 2010). Over 2011, prices of a majority of other basic foodstuffs increased at considerably lower rates than those observed in the previous year. The prices of groats and beans and granulated sugar went down.

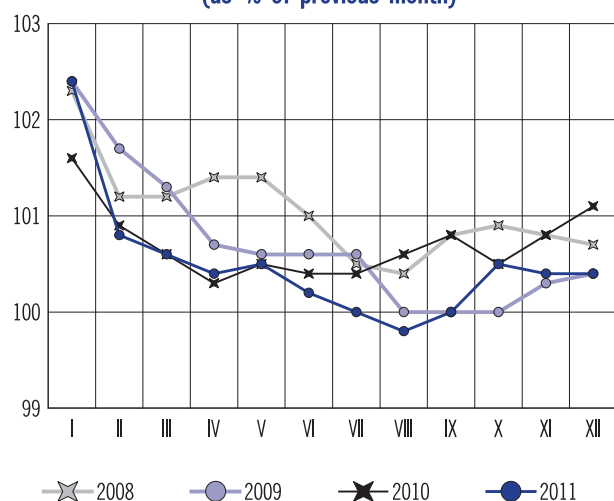
Overall, food prices rose by 3.9% in 2011 (12.9% in 2010).

In 2011, amidst a vigorous consumer demand, non-food and service prices grew at a higher rate than in 2010, with 6.7% increase as compared with 5.0% in the previous year. According to estimates, higher non-food prices accounted for 2.4 percentage points, or 38.7% of the inflation rate as compared with 1.8 percentage points, or 20.7% in 2010, the most significant increase being registered in tobacco products and petrol which grew at a rate of 21.1% and 14.9% respectively (in 2010, 19.5% and 6.5%

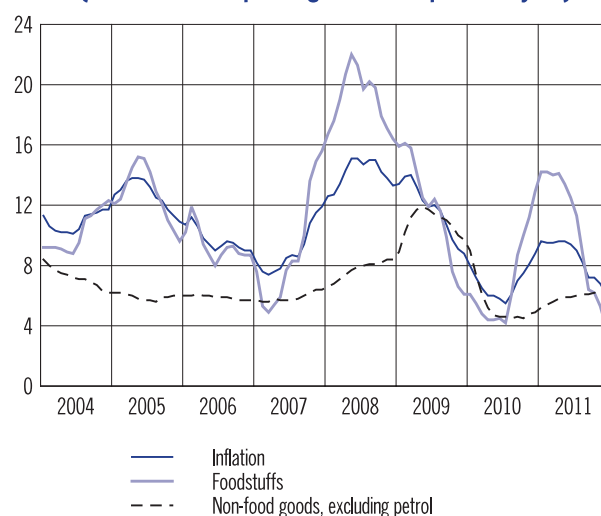
### Consumer price inflation

	Growth, %		Change, percentage points
	December 2011 on December 2010	December 2010 on December 2009	
Prices of goods and services, total	6.1	8.8	Slowing of growth by 2.7
of which:			
– food prices	3.9	12.9	Slowing of growth by 9.0
of which:			
– food prices, excluding vegetable and fruit prices	7.4	9.4	Slowing of growth by 2.0
– non-food prices	6.7	5.0	Acceleration of growth by 1.7
– prices of paid services provided to households	8.7	8.1	Acceleration of growth by 0.6
Prices of goods and services included in core inflation calculation	6.6	6.6	

Source: Rosstat.

Consumer prices  
(as % of previous month)


Source: Rosstat.

 Consumer prices  
(as % of corresponding month of previous year)


Source: Rosstat.

respectively). According to estimates, they accounted for 1.5 percentage points, or 22.3% of the total non-food price increase in 2011.

In 2011, the prices of paid services to households increased by 8.7% (8.1% in 2010). According to estimates, their growth accounted for 2.3 percentage points, or 36.9% of the overall price increase in the consumer market (2.1 percentage points, or 23.6% of the inflation rate in 2010). In 2011, the price growth in a majority of services included into the calculation of core inflation accelerated, with the most significant increase – 11.3% – observed in pre-school education and cultural services (in 2010, 7.7% and 8.6% respectively).

Over 2011, the growth rate of administered and service prices was estimated at 10.9%, or 1.3 percentage points lower than in the previous year. Housing and utility prices grew by 11.7% as against 13.0% in 2010. Passenger transport fees went up by 9.1% (8.7% in 2010).

In 2011, the price growth rate of paid services to households surpassed that of goods by 3.5 percentage points (in 2010, the price growth rate of goods was 1.0 percentage point higher than that of services).

According to Rosstat, consumer price growth rate in all **federal districts of Russia** was lower in 2011 than in the previous year.

### Food price inflation

	Growth, %		Change, percentage points
	December 2011 on December 2010	December 2010 on December 2009	
Foodstuffs	3.9	12.9	Slowing of growth by 9.0
Bread and bakery products	8.9	7.6	Acceleration of growth by 1.3
Groats and beans	-8.0	58.8	
Pasta	3.4	4.7	Slowing of growth by 1.3
Meat and poultry	9.2	5.3	Acceleration of growth by 3.9
Fish and seafood	10.3	4.8	Acceleration of growth by 5.5
Milk and dairy products	6.3	16.7	Slowing of growth by 10.4
Butter	6.6	23.3	Slowing of growth by 16.7
Sunflower oil	4.6	27.6	Slowing of growth by 23.0
Granulated sugar	-25.5	22.5	
Vegetables and fruit	-24.7	45.6	
Alcoholic beverages	8.4	8.3	Slowing of growth by 0.1

Source: Rosstat.

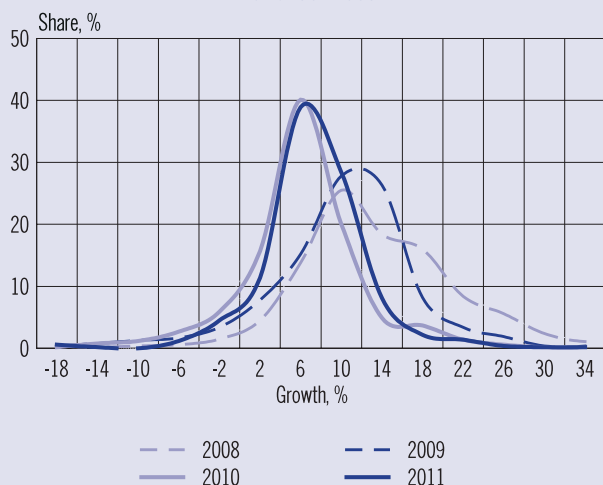
**An analysis of price growth distributions<sup>1</sup>** is given to identify additional risks related to variability of price dynamics of consumer basket components. Analysis demonstrated that goods and services where a lower price increase was observed in 2008–2009 came to account for a larger share over the last two years. Moreover, the share of goods and services with the price growth of 4% to 8% was practically the same at almost 40% in 2011 as compared with 2010.

The main differences of the distribution for 2011 as compared with 2010 were due to the observed effect of the food price shock. In 2011, the median characterizing the price growth of the bulk of goods and services in the observed distribution slightly increased as compared with the previous year, and, while reaching 7.2%, was considerably lower than in 2008 and 2009 (12.6% and 10.9% respectively). The standard deviation, which shows how diffuse the distribution is, decreased to 8.5%, as against 14.2% a year earlier.

As in the previous year, the distribution median of non-food price increase was the lowest in 2011, being surpassed by that of food and services which was the highest. However, as compared with 2010, the values of all three medians grew from 5.8% to 6.2%, from 6.6% to 7.3%, and from 7.0% to 9.4% respectively.

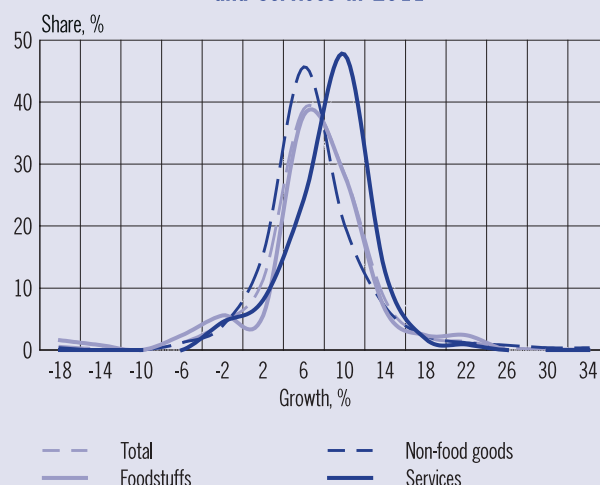
The average distribution of food price increase fell from 13.4% in 2010 to 3.9% in 2011. While in 2010 foodstuffs with high price growth (over 36%) accounted for 6.5%, no such goods were observed in 2011. The reverse was true of foodstuffs with a more than 20% price decrease whose share grew from zero in 2010 to 6.5% in 2011. The food price shock was recognised in high values of the standard deviation.

**Distribution of price growth for consumer goods and services**



Source: Rosstat, Bank of Russia calculations.

**Price growth distribution by type of consumer goods and services in 2011**



Source: Rosstat, Bank of Russia calculations.

<sup>1</sup> These distributions are based on a sample composed of more than 450 consumer goods and services, regardless of their weight in consumer spending.

Estimates show that in December 2011 there were larger differences between constituent territories of the Russian Federation in terms of the price of a fixed set of goods and services used by the Federal State Statistics Service for interregional comparisons of the purchasing power of the population. Thus, in December 2011 the regional difference ratio<sup>1</sup> was 41.2% while being 38.4% a year earlier.

<sup>1</sup> The regional difference ratio is calculated by the Bank of Russia as the difference between the price of a fixed set of goods and services in the most and least expensive regions relative to the national average cost of the set.

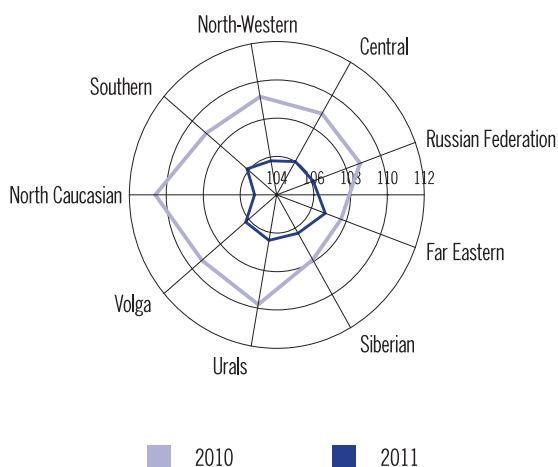
In 2011, the price growth rates of food other than fruit and vegetables ranged from 6.7% to 8.4% across federal districts while non-food goods ranged from 5.8% to 7.3%.

In 2011, prices of fruit and vegetables went down everywhere except the Far Eastern Federal District. This group of foodstuffs was characterized by a considerable regional disparity of price evolution, with relevant prices falling 30.0% in the Central Federal District while increasing 0.1% in the Far Eastern Federal District.

In 2011, the price growth of paid services to households varied from 7.3% to 10.1% across



**Consumer price growth by federal district  
(December as % of December of previous year)**



Source: Rosstat.

the country, being higher in five out of eight federal districts as compared with the previous year.

### Housing prices

Housing prices increased by 6.7% in the primary market and by 5.8% in the secondary market in December 2011 from December of the previous year. By the end of 2010, housing prices grew by 0.3% in the primary market and by 2.7% in the secondary market.

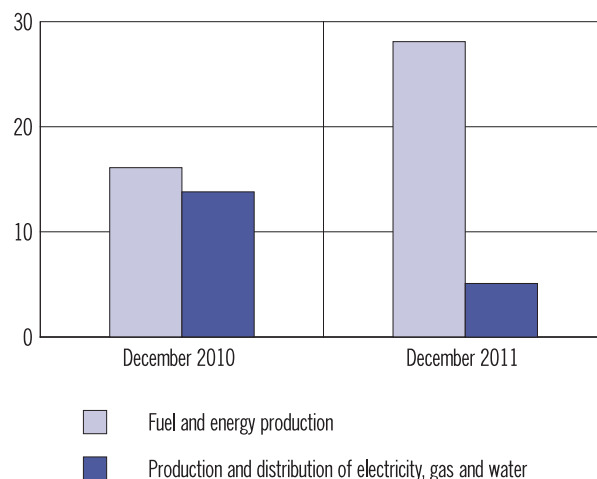
In 2011, the dynamics of housing prices was affected by a recovery of the real estate market amidst growth in commissioned housing which increased by 5.6% as compared with 2.4% decline in the previous year.

### Producer prices

**Industrial producer prices** rose by 12.0% in 2011 (16.7% in the previous year). This slump in dynamics of industrial producer prices growth was due to a slowdown of price growth in manufacturing industries, as well as in the production and distribution of electricity, gas and water.

In 2011, producer prices in manufacturing industries increased by 8.3%, or 8.6 percentage points less than in the previous year. Growth in producer prices for most basic types of industrial goods decelerated. Producer price growth in the production of foodstuffs, including beverages, and tobacco products slowed down by 12.5 percentage points to 1.8% whereas growth in the producer prices of some goods accelerated. The

**Producer prices by type of economic activity  
(growth as % of December of previous year)**



Source: Rosstat.

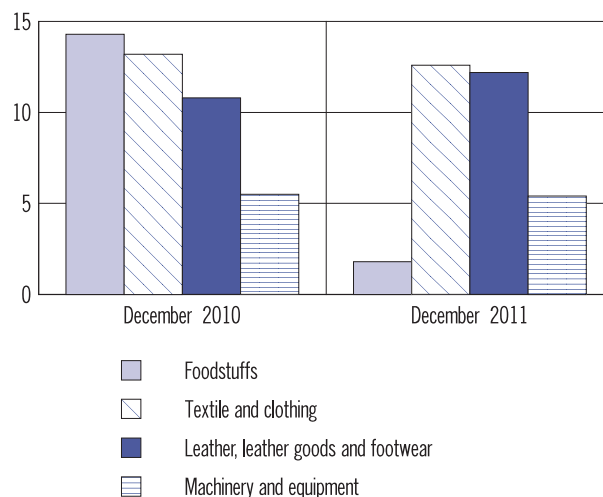
most significant increase (17.6%) was observed in production of petroleum products (in 2010, this indicator was 2.8 percentage points higher).

Over 2011, prices in production and distribution of electricity, gas and water increased by 5.1% (13.8% in 2010).

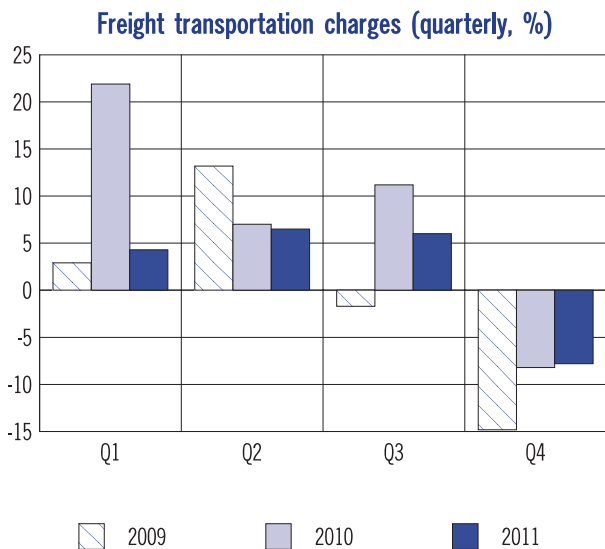
In 2011, the growth of producer prices in mining accelerated to reach 26.3% as against 17.1% in the previous year. Fuel and energy producer prices increased by 28.1% as compared with 16.1% in 2010.

In 2011, **freight transportation** charges rose by 8.4%, with 7.5% growth in railway fares. In the previous year, these indicators were 33.1% and 9.4% respectively.

**Producer prices in some manufacturing industries  
(growth as % of December of previous year)**



Source: Rosstat.

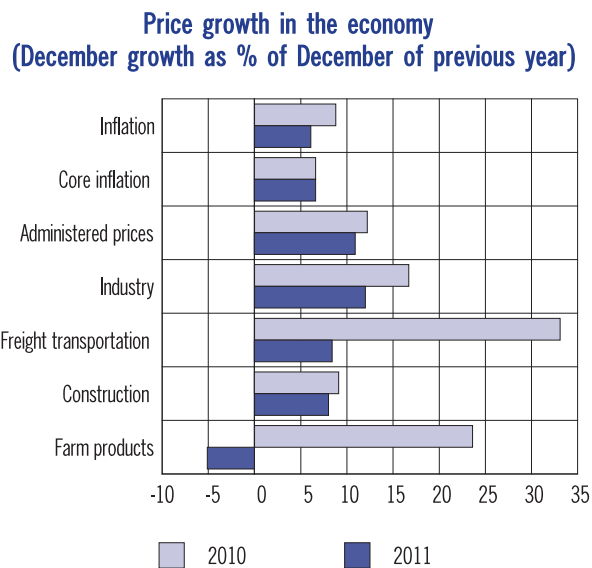


Source: Rosstat.

In 2011, **communications fees for corporate entities** increased by 3.9% (7.0% in 2010).

Over 2011, **building materials producer prices** went up by 8.0% as against 9.1% in 2010.

Over 2011, **agricultural producer prices** declined 5.1% while growing 23.6% a year earlier. Livestock producer prices increased by 2.6% (14.9% in 2010). Crop grower prices fell by 14.7% (they rose by 38.3% in 2010). Grain



Source: Rosstat.

producer prices declined by 4.2%, sunflower producer prices – 24.2% (in 2010, these indicators, on the contrary, increased by 31.4% and 71.1% respectively).

### Foreign trade

In 2011 as compared with the previous year, the Russian terms of trade improved as a result of a more sizeable growth of export prices ver-

### Inflation in countries trading with Russia<sup>1</sup>

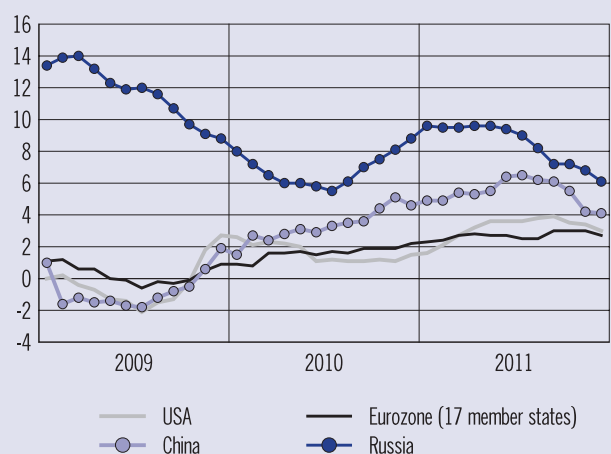
In 2011, consumer price growth in countries accounting for a sizeable weight in the structure of Russian imports was 7.4% (December on December) as against 3.7% in 2010. Inflation was affected by a recovery of higher demand for goods and services as compared with what was observed during recession. Inflationary pressures were also due to growing prices of agricultural products, energy and other primary commodities in global markets in the first half of 2011.

In the second half of the year, contribution of food and energy groups to consumer price growth decreased against the background of smaller energy and agricultural product prices. Declining economic growth rates in countries trading with Russia also facilitated lower inflationary pressures in Q4.

In 2011, the accelerated price growth in the eurozone and United States was due to higher core inflation and foodstuff prices. Lower price growth rates of energy contained inflation. Price growth in the Republic of Belarus has intensified after devaluation of the local currency in May 2011.

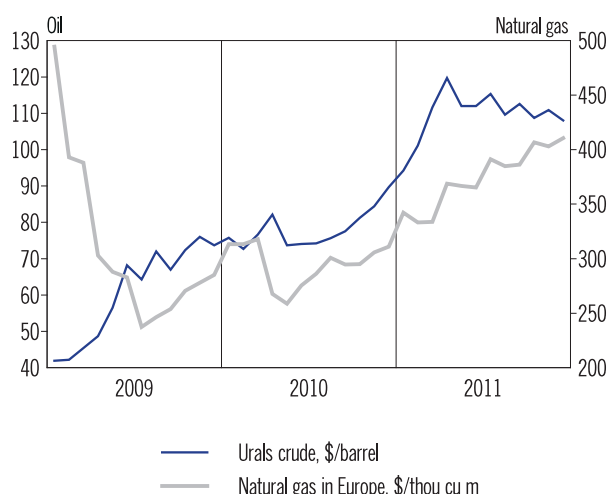
<sup>1</sup> According to data reported by national statistics agencies of Russia's trading partners.

### Consumer prices by country (%)\*



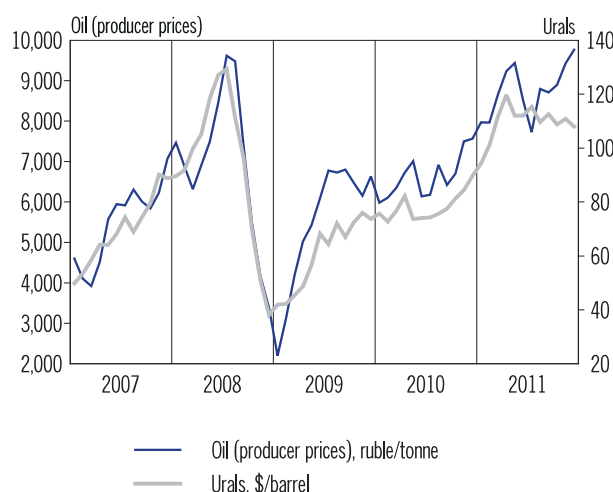
\* Consumer price growth on the same month a year earlier.  
Source: Bureau of Labor Statistics at the US Department of Labor, Statistical Office of the European Communities (Eurostat), China's National Bureau of Statistics, Rosstat.

### World oil and natural gas prices



Source: Reuters, World Bank.

### World and domestic average oil prices



Source: Reuters, Rosstat.

... the growth of import prices, with global energy prices declining in Q4 as compared with the previous quarter. In Q4, energy producer prices, including oil prices, grew in the domestic market while petrol prices declined. In global food markets, a downward price trend which emerged in Q2 continued in Q4. The domestic consumer market was characterized by slow growth rates of foodstuff prices.

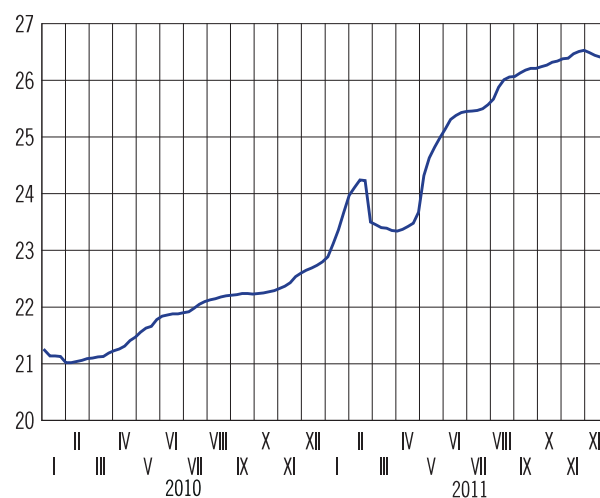
The price situation for major Russian exports was favourable in global markets<sup>2</sup> in 2011. World energy prices grew by 36% on average as compared with last year, while non-energy prices gained 15%.

In 2011, the oil price dynamics was largely due to political crisis in North Africa and the Middle East, debt problems in the eurozone and United States, and fears of global economic recession. High volatility of oil prices was fuelled by investor uncertainty over the ability of the eurozone countries to overcome the debt crisis against the background of lower sovereign ratings of eurozone member states. Later in 2011, price growth was pushed, in particular, by the worsening situation over Iran. Further oil price growth was contained

by a high level of commercial oil reserves in the United States, strengthening of the US dollar, and downward adjustments of 2012 oil demand forecasts. In Q4, the Russian oil traded 28.1% higher than in 2010 Q4, with the average price growing 40.1% as compared with the previous year, to \$109.6 per barrel. Natural gas prices continued to recover, with one-third growth observed in the European market in Q4 as compared with the relevant period of the previous year, and overall growth of 26.9% in 2011 as against 2010.

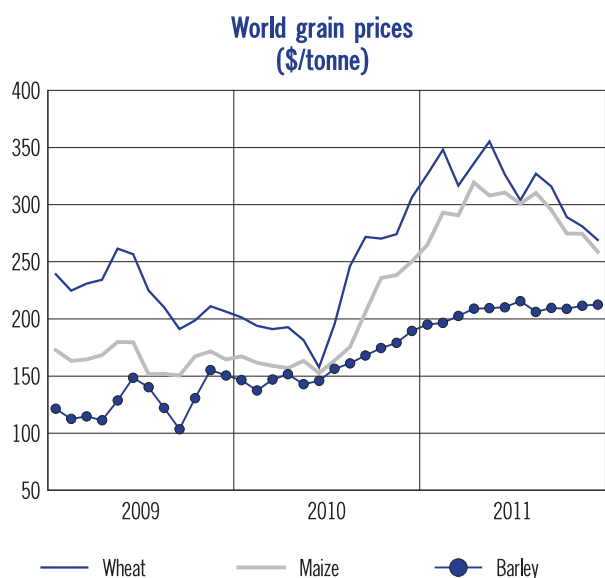
Despite volatility, petroleum product prices evolved broadly in line with changes in oil prices, with the average growth of 37.0% over 2011. As compared with the previous year, the high-

### Average consumer prices for petrol (ruble/litre)

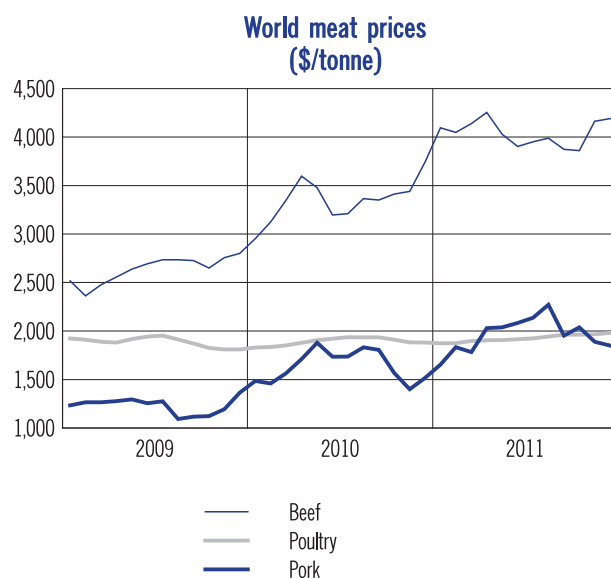


Source: Rosstat.

<sup>2</sup> Average prices are based on data reported daily by the following news agencies and exchanges: Reuters for oil, Financial Times for petroleum products (petrol, diesel fuel and fuel oil). Ferrous metal prices have been gauged on the basis of price indices, while prices of natural gas, non-ferrous metals (aluminium, copper, nickel) and other commodities are the monthly averages published by the World Bank and the IMF.



Source: World Bank.



Source: World Bank.

est growth rates were observed in diesel fuel (38.0%) while fuel oil and petrol prices increased by 36.7% and 33.3% respectively.

A decline in ferrous metal prices which started in 2011 Q3 continued into Q4. While the prices were 14.0% higher than in 2010 Q4, they averagely gained 16.0% in 2011 as compared with the previous year. Non-ferrous metal prices declined further in 2011 Q4 losing 14.6% as compared with 2010 Q4. However, year on year, these prices were averagely 9.5% higher, with copper gaining 17.2%, aluminum 10.5%, nickel 5.1%.

World grain prices largely tended to fall in 2011 Q4. However, over 2011 their level was considerably higher than in the previous year

(corn being almost 1.6-fold more expensive, wheat 1.4-fold, barley 1.3-fold).

Prices in monitored foodstuff markets generally tended to fall in 2011 Q4, with beef and poultry prices being the only ones to rise as compared with 2011 Q3. Despite a decline in prices of most foodstuffs, they were averagely higher in 2011 than in the previous year. Year on year, the prices of beef increased by 20.6%, pork – by 19.6%, poultry – by 1.8%, raw sugar – by 22.1%, refined sugar – by 19.0% and palm oil – by 24.9% in 2011.

Russia's terms of trade were more favorable in 2011 than a year ago since export prices grew at a faster rate than import prices.

### International trade

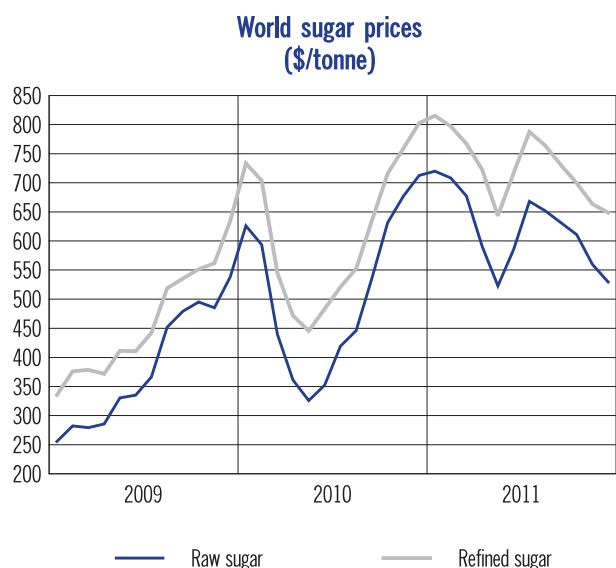
As estimated by the International Energy Agency (IEA), global oil consumption increased by 0.8% in 2011. While declining 2.1% in OECD member states in Europe, it rose by 3.1% in Asian countries other than OECD. In Q2-Q3, oil consumption rates fell dramatically as compared with Q1, with year-on-year consumption falling in 2011 Q4 primarily due to a declining demand in European economies.

In 2011, the average price of Brent, Dubai and West Texas Intermediate crude oil rose to \$104.0 per barrel from \$79.0 in 2010 (by 31.6%). In January 2012, the IMF revised its current year forecast of the average price of the three crude oil benchmarks (\$99.1 per barrel) as compared with the forecast published in September 2011 (\$100.0 per barrel).

According to Eurostat data, imports of mineral fuel and lubricants to EC countries increased by 4.9% in January-November 2011 as compared with the same period of 2010, with the average unit cost of imports in this group<sup>1</sup> being 30.6% higher. According to the IMF, the price of natural gas supplied from Russia to Germany grew by 28.9% in 2011.

As estimated by the IMF (January 2012), international trade in goods and services increased by 6.9% in 2011 (as compared with estimated growth of 12.7% in 2010).

<sup>1</sup> The average unit cost of imports is the ratio of changes between the value of imports of particular commodities and the import quantities.



Source: London Commodity Exchange.

## Demand

In 2011, the growing domestic demand did not prevent consumer price growth from slowing down, with the estimated actual output of goods and services close to the potential level.

In the second half of 2011, consumer and investment activities grew, with economic growth resulting largely from growing domestic demand. Foreign demand for Russian goods remained weak in 2011.

### Domestic demand

In 2011, economic growth was maintained largely by higher domestic demand. Household spending on final consumption increased by 6.4% over the year, with consumer demand boosted by the growth of real wages, further improvement of the labor market situation, and higher consumer lending.

In 2011 Q, the Consumer Confidence Index (CCI)<sup>3</sup> reflecting consumer expectations declined as against the previous quarter while rising in Q2 and Q3. In 2011 Q 4, CCI was higher year on year, its increase resulting from growth of the following indices: expected economic changes in Russia, actual and expected changes in individual wellbe-

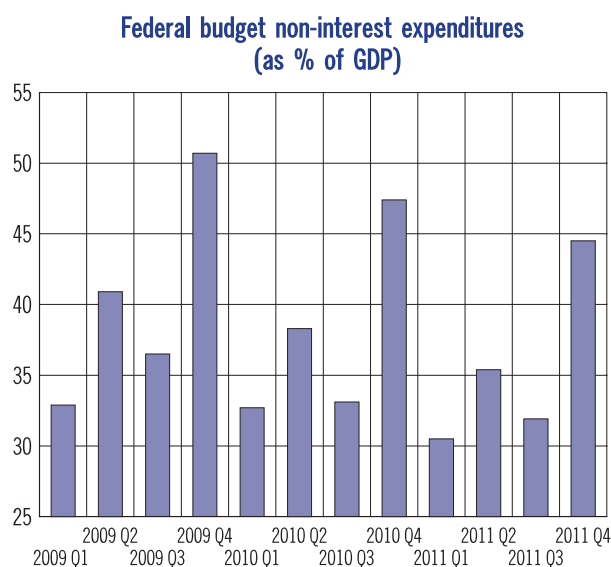
<sup>3</sup> According to Rosstat survey data. CCI is calculated as the arithmetic mean of five individual indices: actual and expected changes in personal wellbeing, actual and expected economic changes in Russia, and favorable conditions for large purchases.

ing of respondents, and favorable conditions for large purchases.

In 2011, household real disposable money income was 0.8% higher than in 2010, with consumer spending accounting for a larger share of money income in use than in 2010 (74.1%, or 4.2 percentage points). As interest rates on retail deposits with banks remained low, household propensity for organised savings decreased. Amid volatile ruble exchange rate, household spending on currency purchase grew in August-October, being 4.3% in 2011, or 0.6 percentage points higher than in 2010.

Vigorous domestic demand also boosted a growth of imports, with higher imported quantities accounting for almost two-thirds and price rise for approximately one third of the increase in 2011. Year on year, imports rose by 30% to reach \$323.3 billion (according to the balance of payments methodology as of January 12, 2012). In 2011 Q1 and Q3, imports accounted for a lower share of retail goods than in the comparable periods of 2010, with the same level maintained in Q2.

In 2011, government expenditures on final consumption increased by 0.8% (a decrease of 1.4% in 2010). According to Federal Treasury's data, general budget expenditure fell to 36.8% of GDP in 2011 (39.0% in 2010). Non-interest expenditure accounted for 36.2% of GDP (38.4% in 2010).



Source: Federal Treasury, Rosstat.



**GDP consumption**  
(growth as % of corresponding period of previous year)

	2010					2011*			
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Full year
GDP	3.5	5.0	3.1	4.5	4.3	4.1	3.4	4.8	4.3
Final consumption	0.3	3.8	4.0	1.9	3.3	4.0	4.9	6.2	4.8
of which:									
– households	-0.5	4.7	5.1	2.7	5.1	5.7	6.6	8.3	6.4
Gross capital formation	0.8	27.9	29.8	39.3	28.9	44.2	17.8	15.4	22.4
Exports	18.7	4.1	2.2	5.0	7.0	0.0	3.5	-1.0	1.0
Imports	11.4	21.7	34.8	30.1	26.1	23.1	23.4	16.0	21.5

Source: Rosstat.

**Economic growth in foreign countries<sup>1</sup>**

According to estimates, GDP in a group of countries accounting for a sizeable weight in the structure of Russian exports increased by 3.3% in 2011 (4.1% in 2010). As shown by preliminary data, year-on-year GDP growth rates fell from 3.0% to 1.7% in the United States, from 1.8% to 1.5% in the eurozone, and from 10.4% to 9.2% in China. In 2011 Q4, GDP in the eurozone declined. According to an IMF estimate, global production of goods and services increased by 3.8% in 2011 (5.2% in 2010).

In January 2012, the IMF revised downwards its current year forecast of the global economic growth (3.3% as compared with 4.0% published in September 2011). It is envisaged that lower demand in the eurozone combined with factors containing its growth in the US economy will undermine the growth rate of international trade (to 3.8% as estimated by the IMF). Instable financial markets will heighten risks for the countries in considerable need for external funding and those depending on exchange commodities exports.

<sup>1</sup> According to data compiled by national statistics agencies of Russia's trading partners.

The general government registered a budget surplus in 2011 of 1.6% of GDP, as compared with a deficit of 3.5% of GDP in 2010. The improved budget balance, on the one hand, was related to higher oil and gas revenues and, on the other hand, reflected the impact of the government's planned tightening of its fiscal policy to enhance macroeconomic stability, long-term balance and sustainability of government finance.

In 2011, gross fixed capital formation grew by 6.0% as against 5.8% in 2010, with nearly one-third of total fixed capital investment being used to purchase machinery, equipment and vehicles.

Fixed capital investment was financed predominantly with borrowings which accounted for 54.7% in January-September 2011, or 2.3 percentage points less than in the same period of 2010.

In 2011, with imports of goods and services growing considerably faster than exports, net exports of goods and services were estimated to register a negative growth.

**Foreign demand**

Foreign demand for Russian goods remained weak in 2011. While exports of oil, petroleum products, ferrous and especially non-ferrous metals (except for aluminum), and a number of other commodities declined, exports of natural gas, aluminum, motor vehicles, specific types of mineral fertilizer and processed timber rose, with 1/3 price increase accounting for 30% of export growth – up to \$521.4 billion (according to balance of payments methodology as of January 12, 2012).

Growth rates in exports to European Union member countries lagged behind the overall export growth rates. As compared with 2010, the share of European Union countries in Russian commodity imports declined by 1.7 percentage points. Within this group of countries, the shares of major importers of Russian goods, such as the Netherlands and Italy, declined, while Germany's share rose slightly. The growth rates of exports to Asian Pacific Economic Cooperation (APEC) countries were largely higher than overall exports

growth rates. The share of APEC member countries in Russia's commodities exports grew by 1.1 percentage points. Within this group of countries, China increased its share, while Japan saw its share drop. Exports to CIS member countries increased slightly faster than overall exports largely due to growth in exports to Belarus and Ukraine.

### Supply

Over 2011, production of goods and services reached the 2008 level, with capacity utilization in industry further upward running close to its natural level and approaching its pre-crisis level.

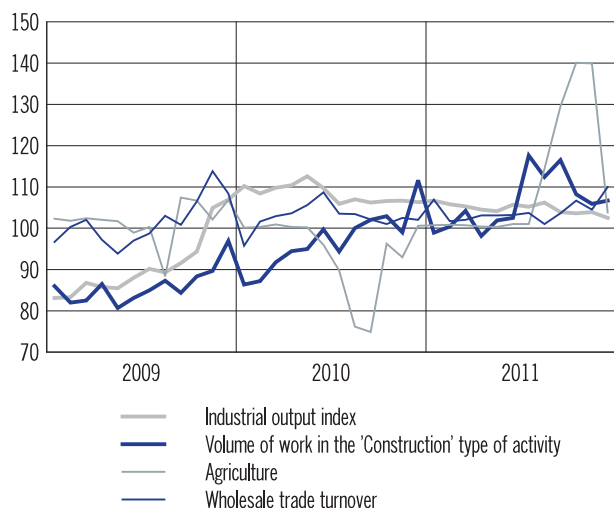
In 2011, the output in key economic activities increased by 5.1% (5.7% in 2010). Production growth was registered in all the key types of economic activity.

Industrial output increased by 4.7% in 2011. As adjusted for seasonal and calendar factors, the average monthly growth of industrial production was 0.3% in 2011 as against 0.6% in 2010. High growth rates were registered in manufacturing industries, with the production of transport vehicles, rubber and plastic products, machinery and equipment rising most substantially.

In 2011, industrial production capacity utilization grew to almost reach its pre-crisis level. According to Russian Economic Barometer data, this ratio averaged 78.0% in 2011 (72.0% in 2010).

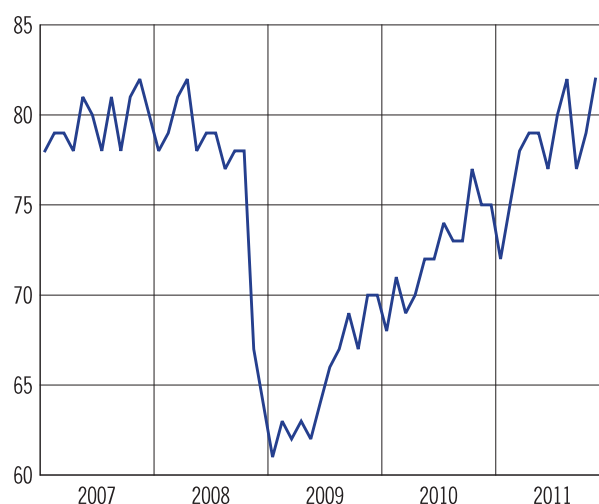
In 2011, agricultural production increased by 22.1%, with gross grain output of 93.9 mil-

### Output in certain types of economic activity (as % of corresponding month of previous year)



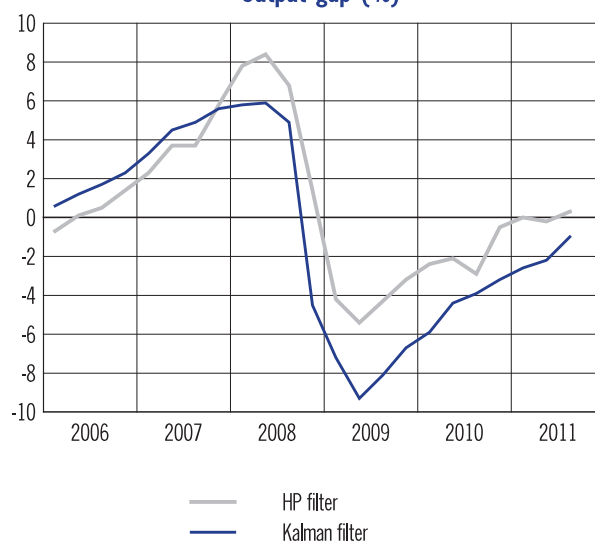
Source: Bank of Russia calculations.

### Industrial production capacity utilisation ratio (%)



Source: Russian Economic Barometer.

### Output gap (%)



Source: Bank of Russia calculations.

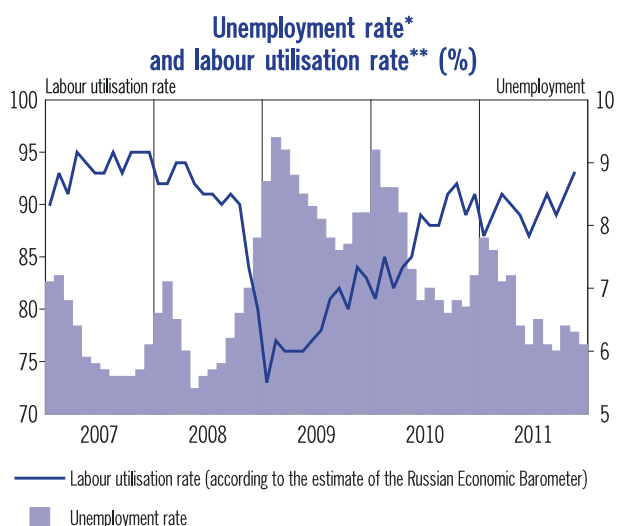
lion tonnes as reported by Rosstat being 54.1% larger than in 2010.

In both 2011 and 2010, **GDP** rose by 4.3% to reach the 2008 level. According to estimates, the actual output was close to its potential level, which did not prevent inflation from going down.

### Employment and unemployment

In 2011, employment across the economy almost reached its 2008 level, with unemployment declining further.

In 2011, the number of people employed in the economy increased by 1.3%.

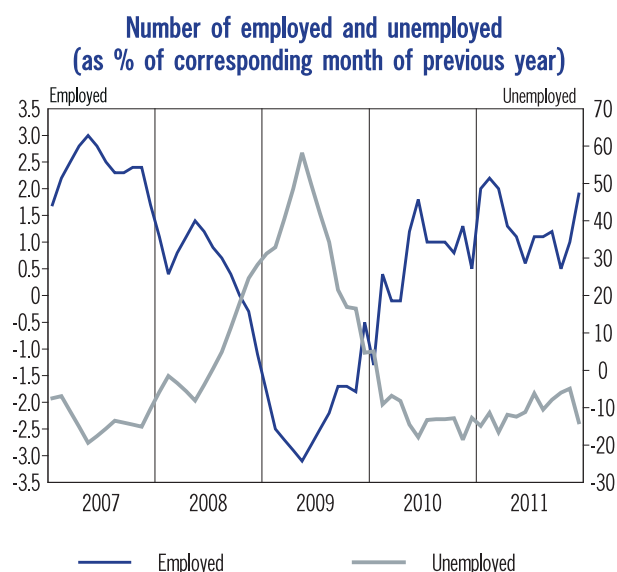


\* Total number of unemployed as % of economically active population.  
 \*\* In the industry.  
 Source: Rosstat.

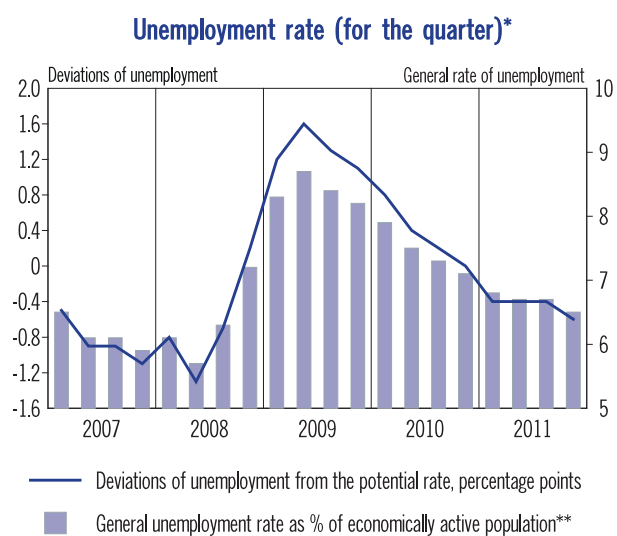
In 2011, the number of workers employed partially on the employer's initiative continued to decline which suggested growing labor utilization in the economy.

In 2011, labor productivity was estimated to improve by 3%, with a higher growth in services than in goods production.

In 2011, real wages rose by 3.5%. Unit labour costs measured as a share of compensation of employees (including undeclared compensation and mixed income), continued to decline in the breakdown of GDP by source of income. Year on year, they declined by 0.6 percentage points to 49.3%.



Source: Rosstat.



\* The potential rate was assessed by means of the HP filter.  
 \*\* Excluding the seasonal factor.  
 Source: Bank of Russia calculations.

**Average monthly imputed wage by type of economic activity (January-November 2011)**

Type of activity	Rubles	As % of the all-Russian level
<b>Total</b>	<b>22,866</b>	<b>100</b>
Agriculture, etc.	12,110	53
Mining	49,122	By 2.1 times
Manufacturing industries	21,319	93
Electricity, gas and water production and distribution	26,362	115
Construction	23,482	103
Wholesale and retail trade, etc.	20,446	89
Transport and communications	28,196	123
Financial activity	52,555	By 2.3 times
Real estate and other transactions	27,726	121
Public administration, etc.	25,433	111
Education	15,156	66
Public health care and social services	17,046	75
Public utility services, etc.	17,728	78

Source: Rosstat.



In 2011, the total number of unemployed declined by 10.9% to 6.1% of the economically active population (7.2% in late December 2010). In 2011, total unemployment exceeded the number of registered unemployed by a factor of 3.6,

with most of them looking for work without any support of employment services.

The total unemployment in 2011 was estimated to be below the long-term trend.

## Monetary Conditions

### Exchange rate

For the most part of 2011 Q4, the domestic foreign exchange market continued to benefit from relatively favorable external economic developments. The ruble dynamics against major global currencies was also shaped in this period by varying demand of commercial banks for ruble liquidity, behavior of investors geared by the news on the likely outcome of the European debt crisis, and implementation of the plans to reduce the US public budget deficit. According to estimates, the net private capital outflow amounted to \$37.8 billion in Q4 (\$19.0 billion in Q3). Russia's international reserves fell by 3.5% in October-December to reach \$498.6 billion as of January 1, 2012.

The nominal ruble/US dollar rate depreciated by 7.0% in 2011 Q4 (by 3.6% in 2011 Q3). As of January 1, 2012, the official rate of the ruble against the US dollar was 32.1961. In January 2012, ruble/dollar rate decreased by 0.2%, with the official ruble/dollar rate of 30.3131 as of February 1, 2012.

The nominal ruble/euro rate depreciated by 2.4% in 2011 Q4 (by 1.9% in 2011 Q3). As of January 1, 2012, the nominal ruble/euro rate was 41.6714. In January 2012, the nominal ruble/euro rate increased by 1.8%, with the official

cial ruble/euro rate of 39.9678 as of February 1, 2012.

In October 2011, the ruble value of the bi-currency basket tended to decline, largely as a result of the dollar/ruble dynamics over the period. However, the variation range of the operational benchmark stabilized since November. As of January 1, 2012, the value of the bi-currency basket was 36.4600 rubles (34.6577 rubles as of February 1, 2012).

In October-December, the nominal effective rate of the ruble against foreign currencies depreciated by 0.9% (0.5% in Q3) which suggests a general appreciation of the national currency against the currencies of the main trade partner countries outside the eurozone.

In Q4, the real ruble/dollar rate depreciated by 6.1% (3.8% in Q3). This indicator was still largely shaped by the ruble/dollar nominal rate index, with variations of the inflation differential between Russia and the United States being relatively moderate. According to preliminary data, the real ruble/dollar exchange rate appreciated by 0.6% in January 2012.

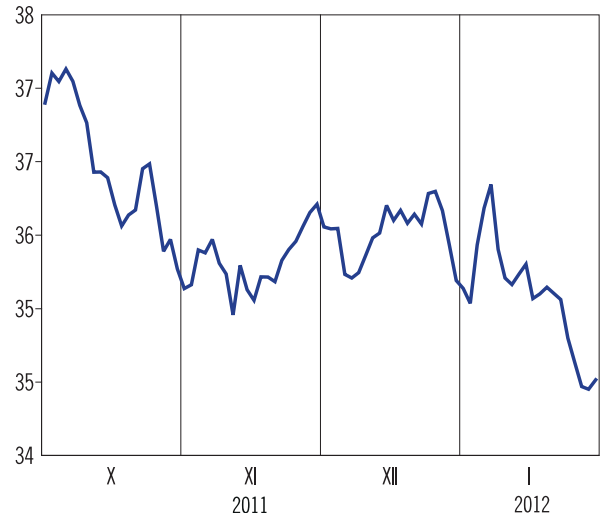
In October-December, the real ruble/euro exchange rate was estimated to depreciate by 2.2% (2.0% in Q3). In the reporting period, contribution of domestic inflation to the dynamics

**Nominal US dollar/ruble and euro/ruble rate in October 2011-January 2012**



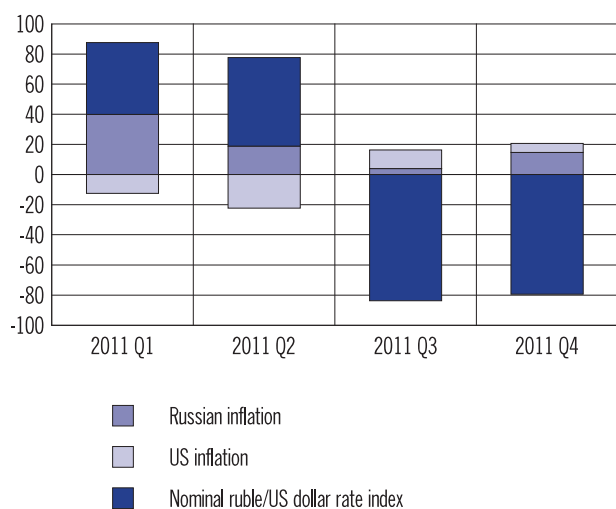
Source: Bank of Russia.

**Ruble value of bi-currency basket in October 2011-January 2012 (rubles)**



Source: Bank of Russia.

**Decomposition of change in real ruble/US dollar rate  
(as % of real ruble rate index)**



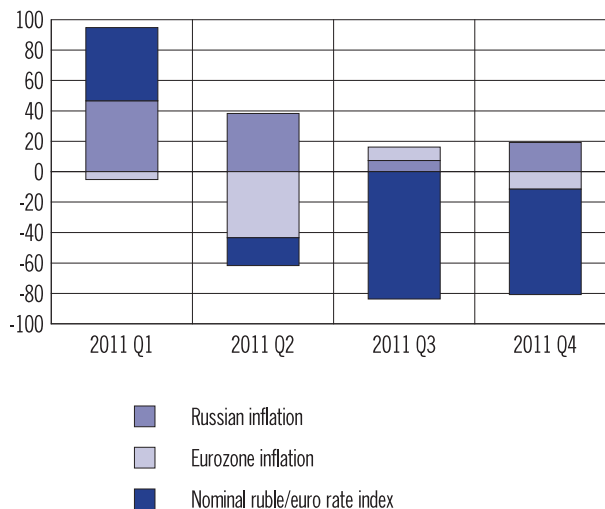
Source: Bank of Russia.

of this indicator was slightly higher, in particular, as a result of the seasonal component of inflation processes in Russia. In January 2012, the real ruble/euro rate was estimated to appreciate by 2.2%.

In Q4, the real effective rate of the ruble against foreign currencies fell by 2.2% (1.9% in Q3). According to estimates, in January 2012, the ruble real effective rate appreciated by 0.7% against other currencies.

As follows from analysis of ruble rate movements against major global currencies in Q4,

**Decomposition of change in real ruble/euro rate  
(as % of real ruble rate index)**



Source: Bank of Russia.

no major risk of exchange rate induced inflation could be envisaged in the short term.

### Interest rates

In October-November 2011, the Bank of Russia Board of Directors took decisions to keep interest rates on liquidity provision and absorption instruments unchanged on the basis of assessment of inflation and sustainable economic growth risks.

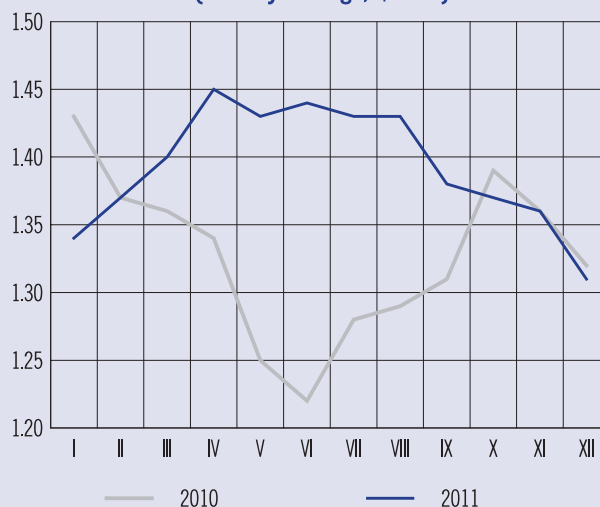
Since December 26, 2011, the Bank of Russia lowered fixed rates on selected refinancing in-

### International currency market

In 2011, the dollar/euro rate did not significantly change, with the dollar appreciating by less than 1% year on year. While the Swiss franc, yen and yuan strengthened against both major currencies, those of a majority of other principal trading partners of Russia depreciated against the dollar and, with exception of the British pound and South Korean won, against the euro. The hryvnia and tenge remained stable throughout the year while the Belarus ruble depreciated dramatically.

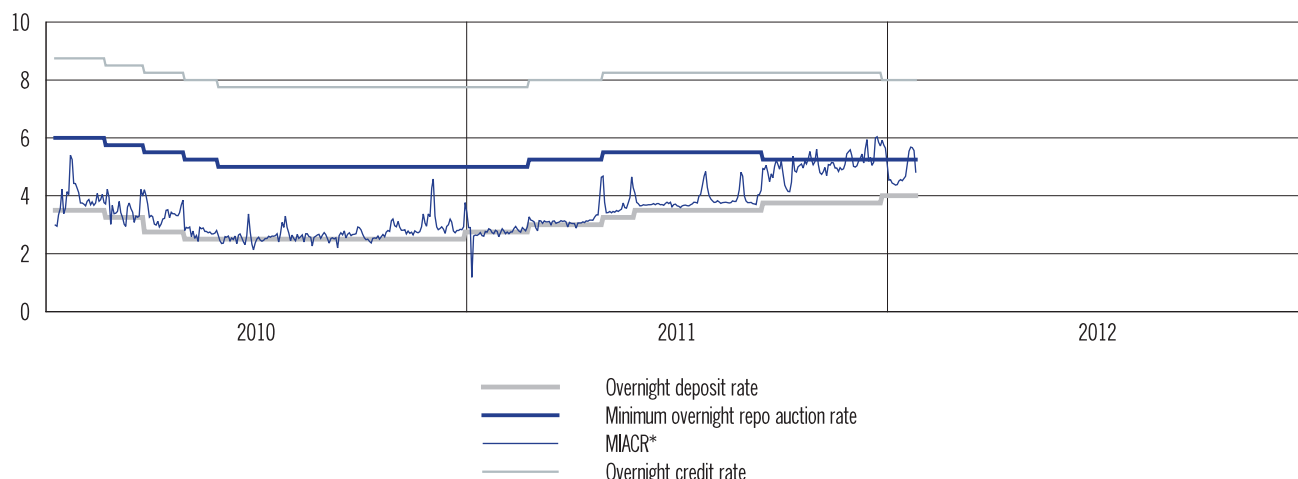
Aggravation of risks due to financial system instability in a number of countries in the second half of 2011 brought about destabilisation of financial markets related to short-term capital flows. The growing investor risk aversion resulted in a massive outflow of short-term capital from emerging markets. A situation of instability in financial markets was shaping dramatic volatility of exchange rates and asset prices.

**Euro/US dollar rate  
(monthly average, \$/euro)**



Source: Reuters.

Interest rates on Bank of Russia short-term operations and MIACR (% p.a.)



\* MIACR is an average weighted rate on overnight interbank ruble loans.  
Source: Bank of Russia.

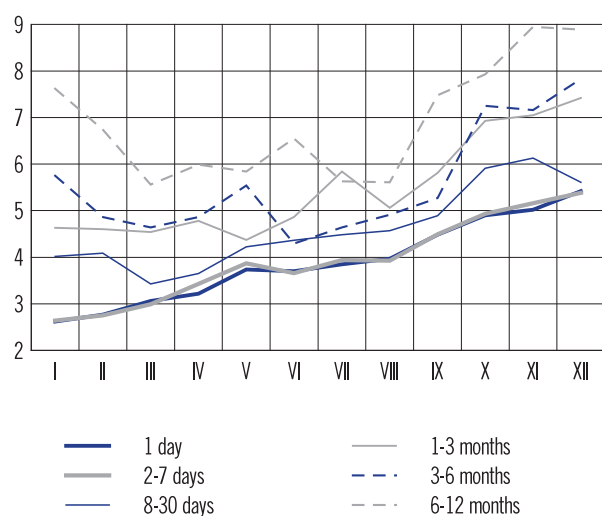
struments by 0.25 percentage points and raised the fixed rates on deposit operations by 0.25 percentage points. This decision to narrow the interest rate band on selected liquidity provision and absorption operations was neutral in terms of the current monetary policy trend and was aimed at containing volatility of money market rates and enhancing the efficiency of the interest rate channel of the monetary policy transmission mechanism.

On 3 February 2012, in view of slower inflation, uncertainties of external economic developments with risks for sustainable growth of the national economy, the Bank of Russia took a decision

to leave the level of interest rates on its operations unchanged.

In 2011 Q4, the interest rates on ruble-denominated **interbank loans** extended for various terms increased gradually but were observed to rise traditionally during the tax payment periods. In October-December 2011, fluctuations in the MIACR on overnight ruble interbank loans was 1.9 percentage points (1.6 percentage points in July-September). The average MIACR on overnight interbank ruble loans stood at 5.1% p.a. in Q4 as against 4.2% p.a. in Q3. In January 2012, the MIACR on overnight interbank ruble loans moved within the range of 4.4–5.7% p.a.

Interest rates on interbank ruble loans in 2011 (% p.a.)



Source: Bank of Russia.

Interest rates on interbank loans and loans to non-financial organisations in rubles (% p.a.)



Source: Bank of Russia.

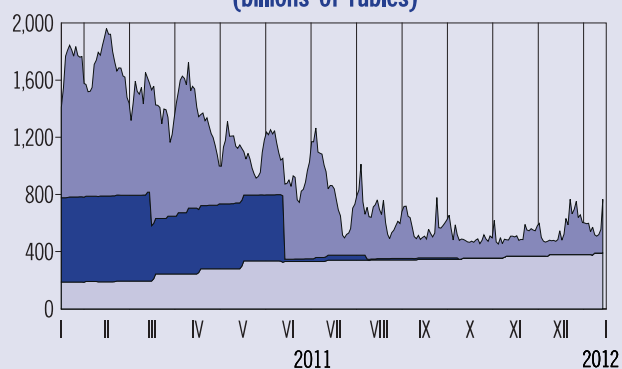
### Liquidity situation and Bank of Russia operations

From mid-September 2011, amid the deteriorating situation in global financial markets and the expectations of the ruble's depreciation, Russian credit institutions started to regularly apply for Bank of Russia refinancing instruments. In October-December 2011, Bank of Russia's average daily claims to credit institutions on liquidity provision operations amounted to more than 685 billion rubles (16 billion rubles over 9 months). Moreover, the federal government continued to deposit budget funds with commercial banks in 2011 Q4, with the average daily deposited amount being more than 925 billion rubles in the reporting period (340 billion rubles over 9 months). Meanwhile, credit institutions' funds invested into the Bank of Russia's liquidity absorption instruments averaged slightly in excess of 150 billion rubles in the last quarter of 2011 (855 billion rubles over 9 months). In this context, the MIACR on overnight ruble loans fluctuated near the minimum bid rate registered at overnight repo auctions.

In January 2012, the Bank of Russia's daily claims on provided funds averaged approximately 840 billion rubles, with average daily balances deposited by credit institutions with the Bank of Russia being 230 billion rubles.

As credit institutions' demand for refinancing instruments increased, the Bank of Russia took some measures in 2011 Q4. In particular, it resumed acceptance of credit institution guarantees and provision of loans secured by non-market assets or guarantees with maturities of 91 to 180 days. Moreover, the Bank of Russia lowered the initial discount value and raised adjustment ratios applicable to calculate the collateral value under repo and lending transactions respectively.

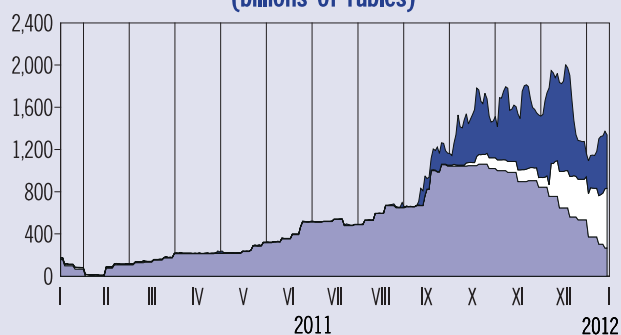
**Bank of Russia liquidity absorption operations  
(billions of rubles)\***



- Credit institutions' funds in required reserve accounts with the Bank of Russia
- Credit institutions' funds in Bank of Russia bonds (OBRs)
- Credit institutions' funds in deposit accounts with the Bank of Russia

\* End-of-day balances.  
Source: Bank of Russia.

**Liquidity provision operations  
(billions of rubles)\***



- Federal budget funds placed on deposit accounts with commercial banks at auctions
- Bank of Russia loans\*\*
- Bank of Russia repo operations

\* Bank of Russia end-of-day claims to credit institutions.

\*\* Overnight loans; Lombard loans; loans extended against non-market assets or guarantees.  
Source: Bank of Russia.

The average MIACR on overnight interbank ruble loans in January 2012 decreased by 0.6 percentage points month on month to 4.8% p.a. The average interest rate on interbank ruble loans placed by Russian banks for a term of 2–7 days increased from 4.1% p.a. in 2011 Q3 to 5.2% p.a. in 2011 Q4, for a term of 8–30 days from 4.6% p.a. to 5.9% p.a., and on loans placed for a term of 1–3 months from 5.6% p.a. to 7.1% p.a.

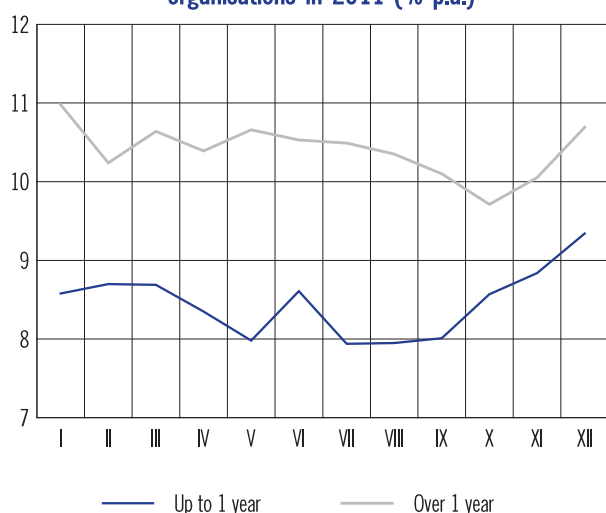
In October-December, interest rates on **household deposits** continued to rise, with average rates on short- and long-term (1–3 years) ruble household deposits growing by 1.3 and 1.0

percentage point quarter on quarter to 6.4% and 7.1% p.a. respectively.

In the ruble denominated **household loan** market, the average rate on short-term loans increased by 1.9 percentage points in Q4 as against the previous quarter (to 24.7% p.a.) while not changing on long-term loans (17.1% p.a.).

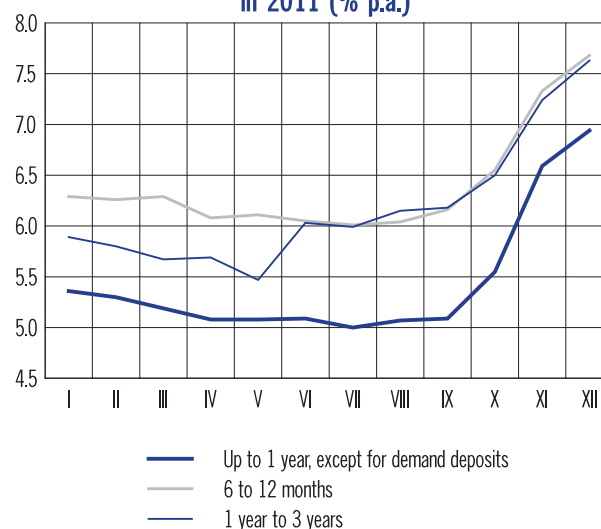
Interest rates on ruble short-term **loans to non-financial organisations** increased in Q4, with those on long-term loans going down in October and rising in November-December. As compared with Q3, average interest rate on short-term loans rose by 0.9 percentage point to 8.9% p.a.,

Interest rates on ruble loans to non-financial organisations in 2011 (% p.a.)



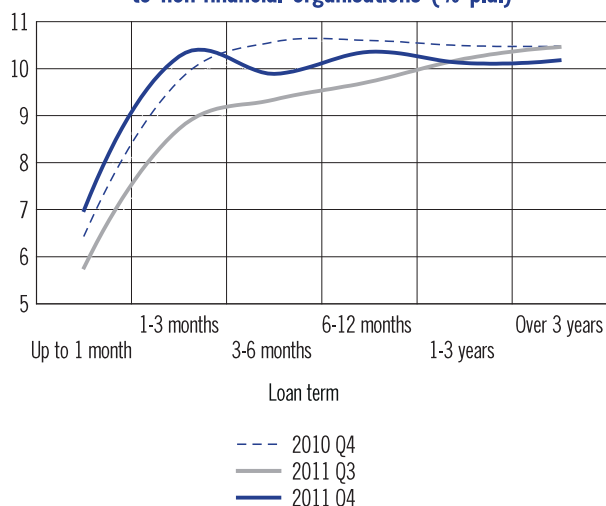
Source: Bank of Russia.

Interest rates on household ruble deposits in 2011 (% p.a.)



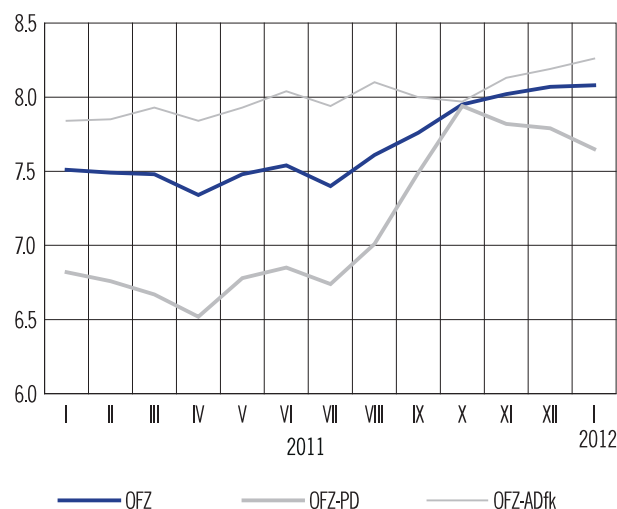
Source: Bank of Russia.

Term structure of interest rates on ruble loans to non-financial organisations (% p.a.)



Source: Bank of Russia.

Average monthly OFZ portfolio yield (% p.a.)



Source: Bank of Russia.

while declining by 0.2 points on long-term loans to 10.1% p.a. In Q4, the yield curve on loans to non-financial organisations maturing in less than 1 year shifted upwards, with a slight downward movement observed in longer maturities.

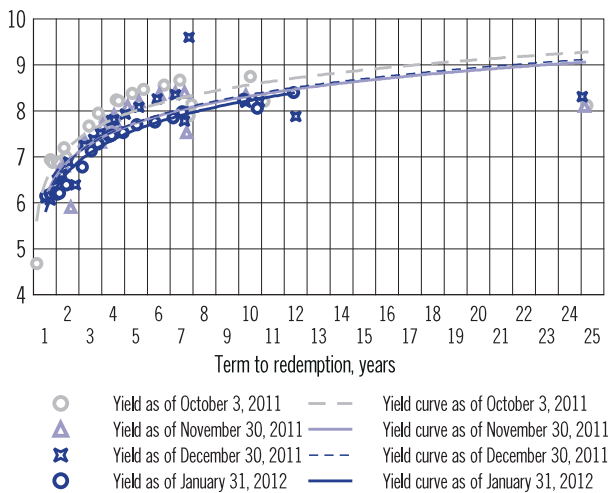
A multi-directional yield dynamics was observed in the **OFZ market** in October 2011 – January 2012. In Q4, the average effective OFZ market portfolio indicator (MPI)<sup>1</sup> went up by 0.4 percentage point quarter on quarter to 8.0% p.a. The OFZ yield (effective MPI) as of late Q4

increased by 0.3 percentage points as compared with the indicator as of late Q3 to 8.1% p.a. The OFZ yield as of late January 2012 was 0.1 percentage point lower than as of late December 2011. The average effective MPI did not change in January as compared with the previous month (8.1% p.a.).

In October 2011-January 2012, the OFZ yield curve remained ascending in the segment of up to 6 years and was close to the horizontal line in the segment of longer maturities. By the end of January 2012, the yield curve became descending in relation to early October 2011 while its slope did not change.

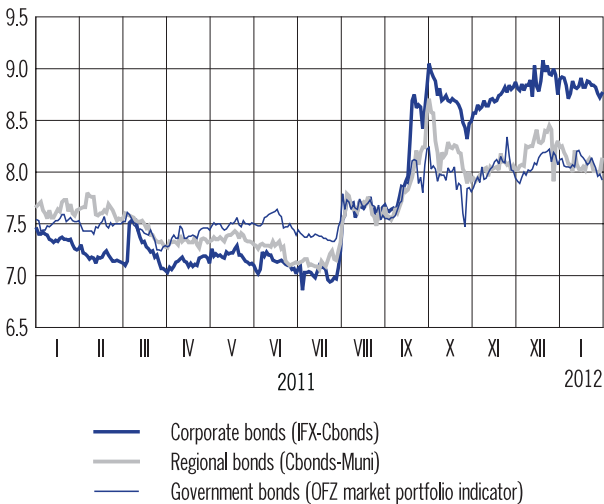
<sup>1</sup> The average duration of OFZ index portfolio (calculated on the basis of Bank of Russia data) was 3.6 years in Q3 and 3.9 years in Q4.

OFZ effective yield curve (% p.a.)\*



\* The yield curve has been smoothed using the logarithmic function.  
Source: Bank of Russia.

Russian ruble bond effective yields in domestic market (% p.a.)



Source: Bank of Russia, Cbonds.ru agency.

In October 2011 – January 2012, the yield in **ruble regional and corporate bond markets** had a similar pattern with that of OFZ. In Q4 as compared with the previous quarter, the average yield of regional<sup>2</sup> and corporate<sup>3</sup> bonds increased by 0.7 and 1.2 percentage points to 8.2% and 8.8% p.a. respectively. Regional and corporate bond yields as of the end of 2011 Q4 rose by 0.1 percentage points and 0.3 percentage points

<sup>2</sup> The average duration of regional bond index portfolio (calculated on the basis of Cbonds.ru data) was 2.5 years in Q3 and Q4.

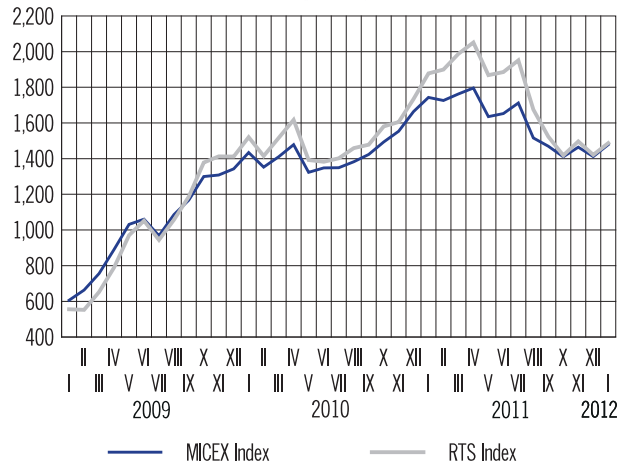
<sup>3</sup> The average duration of corporate bond index portfolio (calculated on the basis of Cbonds.ru data) was 1.8 years in Q3 and 2.2 years in Q4.

quarter on quarter to 8.3% p.a. and 8.8% p.a. respectively. Average yields of regional and corporate bonds in January 2012 were each 0.1 point lower than in the previous month (at 8.1% and 8.8% p.a. respectively).

**Asset prices**

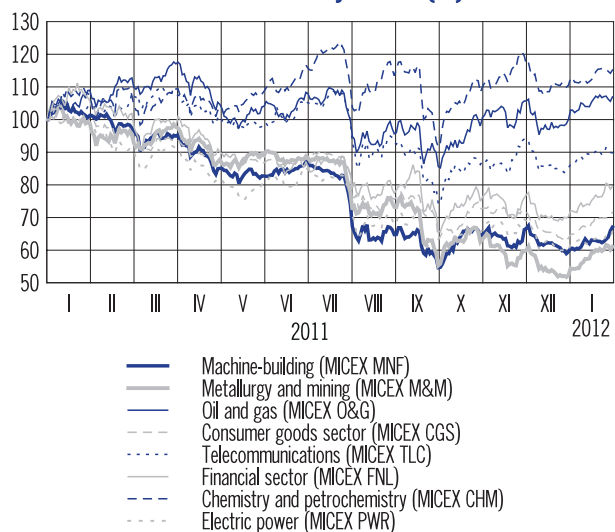
In 2011 Q4, the **Russian equity prices** fluctuated within a wide horizontal band as affected by uncertain price movements in global oil and stock markets, and also by short-term capital flows in the domestic equity market. As of December 30, 2011, MICEX index increased by 2.6% as compared with late 2011 Q3, to 1,402.23 points while RTS index rose by 3.0% to 1,381.87 points.

Russia's major stock indices (points)\*



\* Monthly averages.  
Source: until December 19, 2011 - MICEX and RTS, from December 19, 2011 - MICEX-RTS. Bank of Russia calculations.

MICEX indices by sector (%)\*



\* Indices as of December 30, 2010 = 100%.  
Source: MICEX, Bank of Russia calculations.



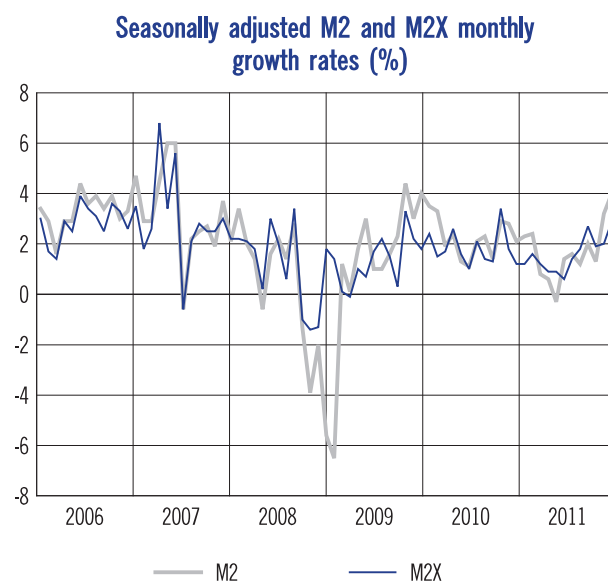
In 2011 Q4, MICEX and RTS average quarterly values were 8.6% and 15.6% below those of the previous quarter respectively.

In 2011 Q4, movements of Russian share prices varied broadly across economic sectors. In the period under review, share prices of chemical and petrochemical, oil and gas, telecommunications and machine-building companies rose while those of other sectors, on the contrary, fell.

In January 2012, Russian share prices grew rapidly in the wake of the world major stock indices as global investors recovered an appetite for risk. As of January 31, 2012 and compared to late December 2011, MICEX index increased by 8.0% to 1,514.03 points while RTS index rose by 14.1% to 1,577.29 points. In January 2012, corporate shares in core sectors of the Russian economy considerably went up, with the best performance demonstrated by metal, financial, machine-building, consumer and electric power sectors (they depreciated most over 2011).

### Monetary aggregates

For most of 2011, the dynamics of monetary aggregates suggested a gradual decrease in inflation risks conditioned by monetary factors. Overall in 2011, while M2 annual growth rate declined from 31.1% to 22.6%, its downward trend decelerated in September-December. The annualized dynamics of 6-month growth rate of ruble money supply being less affected by the base effect demonstrated higher growth rates of M2

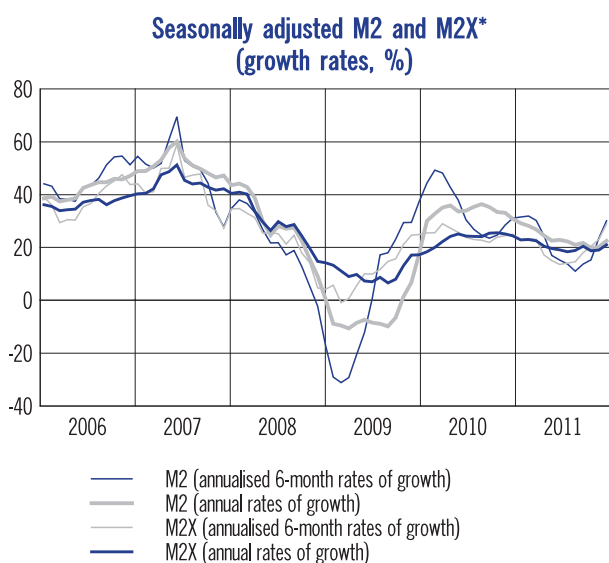


Source: Bank of Russia.

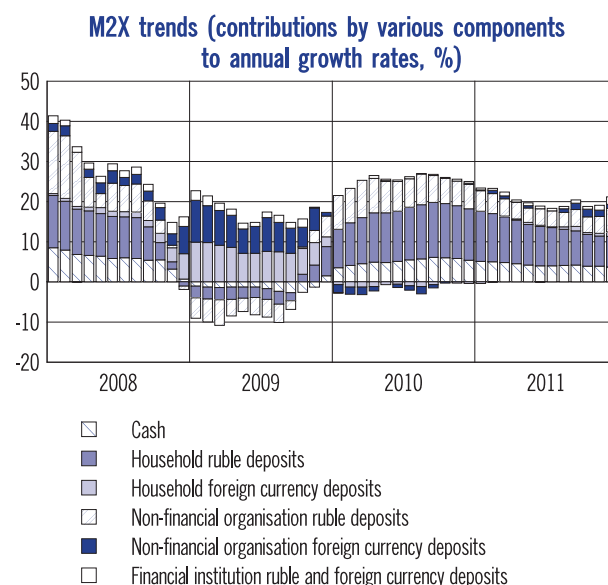
in the second half of 2011. Seasonally adjusted monthly growth rates of ruble money supply were on the rise since June 2011.

Over 2011, a declining trend of annual growth rates was most clearly manifested in household deposits of all other components of ruble money supply (from 43.6% as of January 1, 2011 to 22.4% as of January 1, 2012). Annual growth rates of ruble deposits of non-financial and other financial organisations were declining until June 2011, while they grew from 15% to 26.9% in June-December.

In 2011, annual growth rates of broad money declined less vigorously than those of M2



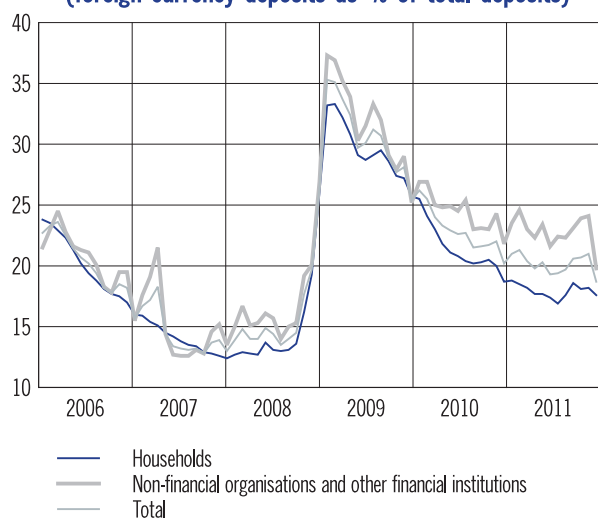
\* Broad money (M2X monetary aggregate) includes deposits in foreign currency.  
Source: Bank of Russia.



Source: Bank of Russia.



### Dollarisation of deposits (foreign currency deposits as % of total deposits)

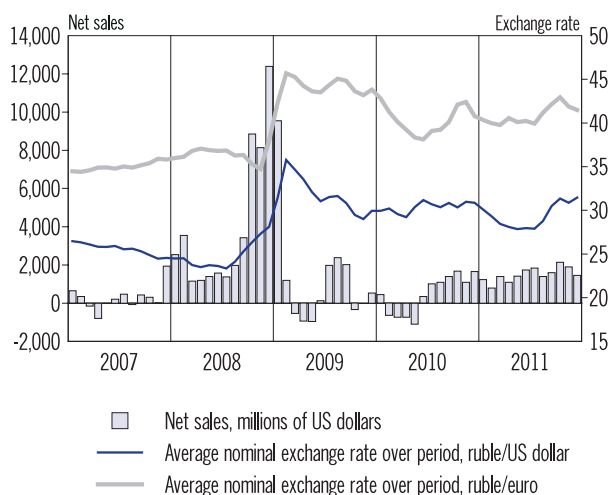


Source: Bank of Russia.

(from 24.6% as of January 1, 2011 to 21.1% as of January 1, 2012). The annualized dynamics of 6-month growth rate of broad money demonstrated higher growth rates since September 2011. Seasonally adjusted monthly growth rates of broad money were on the rise since July 2011.

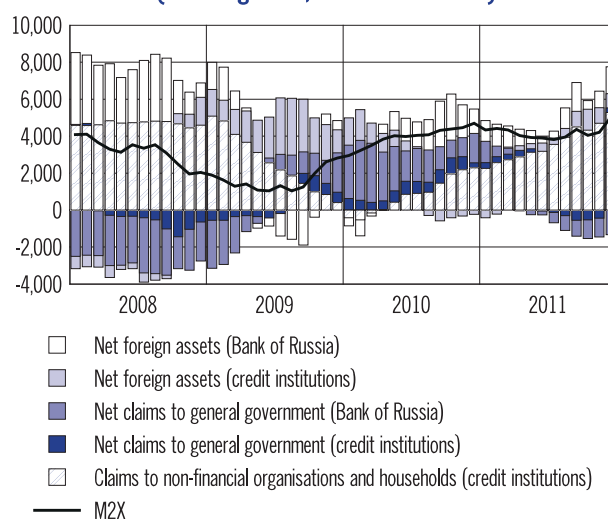
Over 2011, the annual growth rates of foreign currency deposits (in ruble terms) were considerably lower than those of ruble deposits. However, the growth rates of foreign currency deposits accelerated in the context of ruble depreciation in August-November of the current year, resulting in 13.0% growth rate as of January 1, 2012 (as of January 1, 2011, this indicator was 1.3% lower than as of January 1, 2010). Moreover, annual

### Net sales of foreign currency to households through authorised banks and exchange rate



Source: Bank of Russia.

### Banking sector major assets and broad money (M2X) (annual growth, billions of rubles)



Source: Bank of Russia.

growth rate of foreign currency deposits of non-financial organisations and other financial institutions was 12.5% as of January 1, 2012, and the same indicator for households – 13.5%.

In 2011, the level of dollarisation of deposits<sup>4</sup>, while being lower than a year earlier, increased from 19.4% to 21.0% in August-November. The response of dollarisation to depreciation of the ruble in August-October 2011 was less considerable than in the previous years when the ruble was weaker. By early 2012, the level of dollarisation declined again (to 18.7%). Net sales of foreign currency to households through authorised banks slightly increased in September-October as compared with August 2011 but less noticeably than in the periods of depreciation in 2008–2009, with a gradual decline observed in November-December.

Growth in lending was the main source of the expansion of broad money in 2011. A growth of claims to non-financial organisations and households by banks was 5.3 trillion rubles in 2011, or twice as much as in 2010, the most significant growth (by 2.1 trillion rubles) being observed in 2011 Q3. In Q4, this indicator increased by 1.5 trillion rubles.

Higher net foreign assets of the banking system also contributed to the growth of money supply. Over 2011, they increased by 2.2 trillion rubles (1.1 trillion rubles in 2010), primarily at the

<sup>4</sup> The level of dollarisation in this case is the share of foreign currency deposits as of total deposits in the banking sector.

expense of the growth of the Bank of Russia's net foreign assets (by 1.4 trillion rubles). Net foreign assets of credit institutions demonstrated a more moderate growth in 2011 at 0.8 trillion rubles.

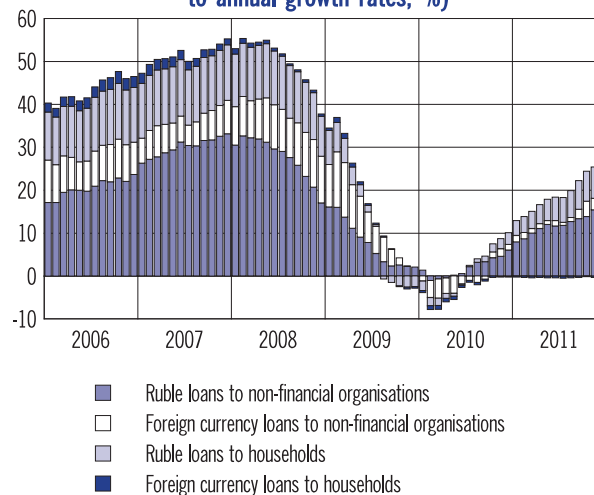
In 2011, the public budget contributed less to money supply, with net claims to the general government by the banking sector declining by 1.1 trillion rubles in 2011 (an increase of 1.9 trillion rubles in 2010). A significant decrease (by 1.3 trillion rubles) in net claims to the general government from the Bank of Russia (largely because of funds accumulated with Bank of Russia accounts) had a considerable containing effect on the money supply dynamics.

### Credit aggregates

A considerable growth of credit aggregates continued in 2011 Q4, resulting in 28.2% annual growth rate of total outstanding loans as of January 1, 2012 (12.6% as of January 1, 2011), with outstanding loans to non-financial organisations reaching 26.0% (12.2% as of January 1, 2011) and to households – 35.9% (14.3% as of January 1, 2011). Thus, the dynamics of credit aggregates in 2011 suggested a vigorous growth of lending activities in the banking sector.

The growth of the deposit base was a key source of increased credit supply in the post-crisis period. In the second half of 2011, the annual

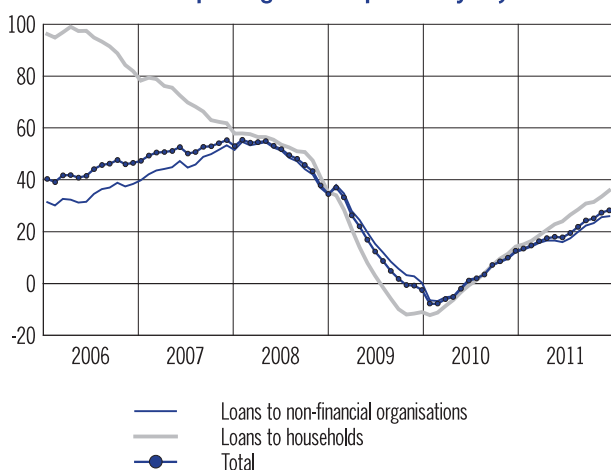
Loans to non-financial organisations and households (contributions by various types of loans to annual growth rates, %)



Source: Bank of Russia.

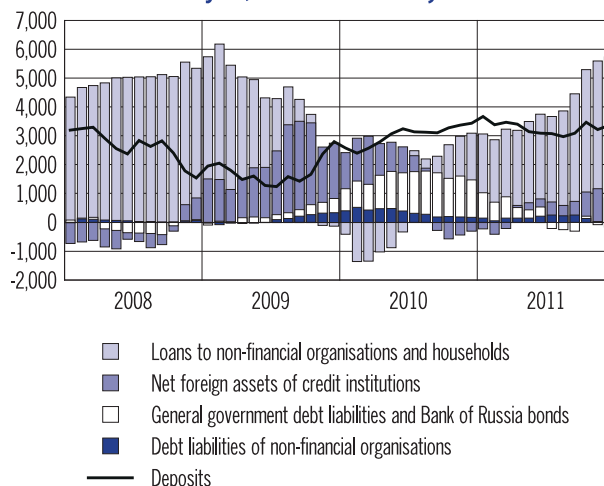
growth rate of loans to non-financial organisations and households surpassed that of bank deposits for the first time since 2009, which resulted in an emerging gap between loans and bank deposits as in the period of lending boom in 2006–2008. In these conditions, banks need sources of additional financing to maintain high rates of growth in loans. While before 2008 these could come from external borrowings, the domestic money market is now playing a much more important role.

Loans to non-financial organisations and households in rubles and foreign currency (growth as % of corresponding date of previous year)



Source: Bank of Russia.

Certain types of assets of credit institutions and bank deposits (growth on corresponding date of previous year, billions of rubles)



Source: Bank of Russia.

## Bank of Russia press releases on monetary policy measures

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### October 2011

#### October 28 (extract from the press release)

The Bank of Russia External & Public Relations Department informs that the Bank of Russia Board of Directors took a decision on October 28, 2011, to leave the refinancing rate and interest rates on Bank of Russia operations unchanged.

The decision was made following an assessment of inflation risks and risks to sustainable economic growth, including risks posed by the persisting uncertainty over external economic developments.

In the period since the latest meeting of the Bank of Russia Board of Directors on monetary policy, the annual inflation rate continued to decrease and stood at 6.9% as of October 24, 2011 (compared with 7.2% in September and 8.2% in August). The prices of certain groups of foodstuffs continued to make a major contribution to the slowdown in the inflation rate. However, there were signs of the waning effect of this factor. The price decrease in September was also observed in the services sector. At the same time, the annual rates of growth in non-food prices had not registered any slowdown in the past several months, staying at a relatively high level. The Bank of Russia will continue monitoring the impact of various factors on inflationary processes, including the possible effect of the ruble's depreciation observed in the past few months on the level of prices.

Major macroeconomic indicators changed both ways in September. The annual industrial production index fell considerably as compared with August. At the same time, the annual rates of growth in fixed capital investment increased again in September after their slowdown in the previous month. The unemployment rate remained at a relatively low level, while the growth in household real income accelerated, and these factors, along with the continued increase in consumer lending, contributed to the steady rise in consumer demand. As a result, retail trade turnover continued to grow at an accelerated rate. The current domestic demand dynamics may both contribute to improved business activity and be a source of additional inflationary pressures.

In the interbank market, the banking sector's demand for refinancing instruments was observed to increase in recent months. The growth in liquidity volumes provided by the Bank of Russia will help restrict the rise in market rates.

Given the current internal and external macroeconomic trends, the Bank of Russia regards the current level of interest rates in the money market as acceptable in order to secure a balance between inflation risks and economic slowdown risks in the near future.

The Bank of Russia took a decision to increase to 180 days the term of loans provided against the collateral of gold and set from November 1, 2011, the interest rates on gold-secured loans with a maturity from 91 to 180 days at 7.25% p.a.

The next meeting of the Bank of Russia Board of Directors to consider monetary policy is scheduled for the last ten days of November 2011.

## November 2011

### November 10

The Bank of Russia External & Public Relations Department informs that from November 15, 2011, credit institutions may participate in repo auctions with the Bank of Russia on the St Petersburg Currency Exchange.

Operations are conducted under the Bank of Russia general terms established for all market repo transactions, pursuant to Bank of Russia Regulation No. 329-P, dated November 28, 2008, "On the Terms of Conducting Bank of Russia Repo Transactions with Russian Credit Institutions on Stock Exchanges".

Repo transactions on the SPCEX differ from the existing arrangements in that the participants can bid without having to specify securities issues provided under such transactions. The securities eligible for the Bank of Russia Repo List which a participant will provide during settlements under transactions, will be accepted as collateral.

To participate in repo auctions with the Bank of Russia on the SPCEX, credit institutions should sign with a relevant Bank of Russia branch a master agreement on general terms of conducting repo transactions by the Bank of Russia and a credit institution on the St Petersburg Currency Exchange in the form developed by the National Securities Market Association, a self-regulating organisation, as well as the agreements provided for by the SPCEX Trading and Clearing Regulations. More information on the required documents is posted on the St Petersburg Currency Exchange website: [www.spcex.ru](http://www.spcex.ru).

### November 25 (extract from the press release)

The Bank of Russia External & Public Relations Department informs that the Bank of Russia Board of Directors took a decision on November 25, 2011, to leave the refinancing rate and interest rates on Bank of Russia operations unchanged. (Table «Interest Rates on Bank of Russia Operations»).

The decision was made following an assessment of inflation risks and risks to sustainable economic growth, including risks posed by the persisting uncertainty over external economic developments.

The disinflation effect of the fall of food prices exhausted itself by the end of October to become the key factor that slowed down the inflation rate in October-November. The annual growth rate of consumer prices stood at estimated 7.0% as of November 21 (7.2% in October and September). The strengthening of the ruble in October is responsible for the reduction of inflation risks caused by the weakening of the ruble in August-September. Tightening of the monetary conditions due to the movement towards liquidity shortage in the banking sector which is expected to continue in the mid-run, will also contribute to curbing the inflationary pressure further.

The industrial output annual growth rate fell again in October, and still low sentiment indicators of economic agents are indicative of moderate assessments of growth outlooks in the economy. The unemployment rate increased slightly as real income growth rates contracted in October. Meanwhile, the foregoing indicators remained within a range not interfering with the consumer demand growth as evidenced by still high growth rates in retail trade turnover. The current steadiness of consumer indicators amid industrial sector moderate indicators may both contribute to growth in business activity and be a source of additional inflationary pressure.

Given the current internal and external macroeconomic trends, the Bank of Russia regards the established level of interest rates in the money market as acceptable in order to secure a balance between inflation risks and economic slowdown risks. The interest rate growth in the money market conditioned by the movement towards liquidity shortage in the banking sector and instability in the global financial markets contributes to the rise of other interest rates in the economy. In this respect, the Bank of Russia will continue monitoring the situation in the money market and external economic developments, as well as assessing the interest rate growth risks and the effect of such growth.

The next meeting of the Bank of Russia Board of Directors to consider monetary policy is scheduled for the last ten days of December 2011.

## **November 25**

The Bank of Russia External & Public Relations Department informs that pursuant to Bank of Russia Ordinance No. 2134-U, dated November 27, 2008, "On the List of Securities Eligible for the Bank of Russia Lombard List" (hereinafter referred to as the Ordinance), the Bank of Russia Board of Directors (Minutes of the Bank of Russia Board of Directors No. 21, dated November 25, 2011) established the following minimum rating requirements to issuers (issues) of securities to be met in making decisions on enlisting in and delisting securities from the Bank of Russia Lombard List:

the issuers (issues) of securities specified in sub-paragraphs 1.4–1.6, 1.9, 1.10 of paragraph 1 of the Ordinance must be awarded B- or a higher long-term credit rating under the global scale (global scale rating) by at least one of the rating agencies, according to the classification offered by Standard & Poor's or Fitch Ratings or B3 rating according to the classification offered by Moody's Investors Service;

the issuers (issues) of securities specified in sub-paragraph 1.8 of paragraph 1 of the Ordinance must be awarded BB or a higher long-term credit rating under the global scale (global scale rating) by at least one of the rating agencies, according to the classification offered by Standard & Poor's or Fitch Ratings or Ba<sup>2</sup> rating according to the classification offered by Moody's Investors Service.

These requirements have been effective since December 5, 2011.

We also inform that on December 1, 2011 the Bank of Russia increased from 0.98 to 1 the adjustment factor applicable for adjusting the value of federal loan bonds accepted as collateral for Bank of Russia loans, as well as reduced from 1.25% to zero the value of the initial discount applicable for assessing the value of collateral on Bank of Russia repo operations with federal loan bonds and Bank of Russia bonds for a period of six or less calendar days.

## **November 29**

The Bank of Russia External & Public Relations Department informs that the Bank of Russia Board of Directors took a decision on November 25, 2011 to establish approaches towards compiling the Bank of Russia List with regard to the criterion for institutions having to be awarded B- or a higher long-term credit rating on foreign currency liabilities by at least one of the foreign rating agencies, according to the classification offered by Standard & Poor's or Fitch Ratings or B3 rating according to the classification offered by Moody's Investors Service.

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## **December 2011**

### **December 8**

The Bank of Russia External & Public Relations Department informs that intraday and overnight loans secured with collateral (blocking) of securities, from time to time determined by the Bank of Russia, in the period between December 30, 2011 and January 9, 2012, in credit institutions' correspondent accounts (correspondent subaccounts) opened with the Bank of Russia Moscow branch and St Petersburg branch, will be extended subject to agreements on the extension of intraday and overnight loans in the period between December 30, 2011 and January 9, 2012 (hereinafter referred to as the Agreement) to be concluded between credit institutions and the Bank of Russia.

The form of the agreement is posted on the Bank of Russia official website in the Monetary Policy section.

To obtain more details about the agreements, credit institutions should apply to Bank of Russia regional branches located in the place of their correspondent accounts.

### **December 23 (extract from the press release)**

The Bank of Russia External & Public Relations Department informs that the Bank of Russia Board of Directors took a decision on December 23, 2011, to lower from December 26, 2011, the refinancing rate by 0.25 percentage points, as well as the fixed interest rates on specific liquidity provision operations and



raise the fixed interest rates on deposit operations by 0.25 percentage points (Table «Interest Rates on Bank of Russia Operations»).

The decision was made following an assessment of inflation risks and risks to sustainable economic growth, including risks posed by the persisting uncertainty over external economic developments. The narrowing of the band of interest rates on Bank of Russia liquidity provision and absorption specific operations is neutral under this decision in terms of monetary policy trend. It is designed to help restrict interest rate volatility in the money market and enhance the efficiency of the interest rate channel of the monetary policy transmission mechanism in terms of achieving the inflation final target.

The annual consumer price growth rates remained in downtrend in the previous month and stood at 6.4% as of December 19 (6.8% in November). In view of the raise in administered prices scheduled for the mid-2012, the Bank of Russia expects the annual inflation rate to decline considerably early in the year to come, however, monetary policy decisions will take account of the temporality of this effect and be guided by mid-term inflation forecasts. The monetary policy tightening in September this year due to the movement towards liquidity shortage in the banking sector will help achieve the inflation target at the end of the next year.

The dynamics of the key macroeconomic indicators in November suggested that consumption indicators remained stable amid moderate growth in the industrial sector indicators. The industrial output growth rates remained low as fixed capital investments growth slowed down a bit. Meantime, the unemployment rate contracted as real wages and retail trade turnover remained high.

Given the current internal and external macroeconomic trends, the Bank of Russia regards the level of monetary market interest rates evolving within the interest rate corridor as acceptable to secure a balance between inflation risks and economic slowdown risks. The Bank of Russia will continue monitoring the situation in the money market and external economic developments, as well as assessing the risks and the effect of market rate growth.

The next meeting of the Bank of Russia Board of Directors to consider monetary policy is scheduled for the first ten days of February 2012.

## **December 27**

The Bank of Russia External & Public Relations Department informs that from December 27, 2011, the Bank of Russia adjusted the exchange rate policy arrangement as follows:

- the operational band of the bi-currency basket acceptable ruble value (0.45 euros and 0.55 dollars), which is designed to curb too acute fluctuations of the exchange rate, was extended symmetrically from 5 to 6 rubles;
- the amount of accumulated interventions which move the operational band by 5 kopeks, was lowered from \$600 million to \$500 million.

The Bank of Russia made the foregoing changes as part of gradual transition to the inflation targeting, which constitutes a top-priority task for the Bank of Russia in the mid-run, pursuant to “The Guidelines for the Single State Monetary Policy in 2011 and for 2012 and 2013”.

The improved potential flexibility of the exchange rate through the foregoing changes will help improve the efficiency of the interest policy used by the Bank of Russia to ensure price stability.

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## **February 2012**

### **February 3 (extract from the press release)**

The Bank of Russia External & Public Relations Department informs that the Bank of Russia Board of Directors took a decision on February 3, 2011, to leave the refinancing rate and interest rates on Bank of Russia operations unchanged (Table «Interest Rates on Bank of Russia Operations»).

The decision was made following an assessment of inflation risks and risks to slowdown economic growth, including risks posed by the persisting uncertainty over external economic developments.

Inflation slowed down considerably in January 2012: the consumer price annual growth rate fell to 4.1% (6.1% at 2011 year-end) as of January 30 due to the rescheduled for the mid-2012 raise of most of the administered prices and tariffs. The Bank of Russia takes account of the temporality of this effect and will continue being guided by mid-term inflation forecasts in taking monetary policy decisions. The appreciation of the ruble in January may have a certain disinflation effect.

The dynamics of the key macroeconomic indicators in December suggested that consumption indicators remained stable in December amid moderate industrial sector indicators. Further contraction of the unemployment rate, accelerated growth rates in real incomes and continued growth in consumer loans contributed to the acceleration of retail turnover growth rates. Annual growth rates in fixed capital investments increased in December. Meanwhile, the annual growth of industrial output index decreased considerably as against November, which was conditioned in part by the decrease in specific components of the index through weather factors. Low industrial output growth rates and weak sentiment indicators of economic agents have remained unchanged over the recent months.

Given the current internal and external macroeconomic trends, the Bank of Russia regards the established level of interest rates in the money market within the interest rate corridor as acceptable to secure a balance between inflation risks and economic slowdown risks in the near future. The Bank of Russia will continue monitoring the effect of tightening the monetary conditions connected with the effect of the movement to liquidity shortage in the banking sector amid decrease in lending in external financial markets.

The next meeting of the Bank of Russia Board of Directors to consider monetary policy is scheduled for the first half of March 2012.

## February 6

The Bank of Russia External & Public Relations Department informs that the Bank of Russia Board of Directors took a decision on February 3, 2012, to approve the following list of national rating agencies whose ratings are used by the Bank of Russia pursuant to Bank of Russia Ordinance No. 2732-U, dated November 17, 2011, "On the Specifics of Making by Credit Institutions Provisions for Possible Losses on Operations with Securities whose Title is Certified by Institutions (Depositaries)" (hereinafter referred to as the Bank of Russia Ordinance) to assess the compliance by the institutions (depositaries) with the criteria set forth in the Bank of Russia Ordinance, as well as minimum long-term credit ratings for each of the national rating agencies eligible for the foregoing list:

No.	National rating agency	Minimum long-term credit rating
1	RusRating rating agency	«BB»
2	Expert RA rating agency	«A»
3	National Rating Agency rating agency	«A»
4	AK&M rating agency	«A»
5	Moody's Interfax Rating Agency	«A2.ru»

# Statistical Addendum

Table 1

## Consumer prices by group of goods and services (month on month, %)

	Monthly inflation	Core inflation	Food price growth	Food price growth <sup>1</sup>	Vegetable and fruit price growth	Non-food price growth	Growth in non-food prices, excluding petrol prices <sup>2</sup>	Service price growth
<b>2009</b>								
January	2.4	1.3	1.4	1.1	4.7	0.7	1.0	6.3
February	1.7	1.6	1.9	1.5	4.9	1.6	1.8	1.4
March	1.3	1.4	1.7	1.4	4.5	1.4	1.6	0.6
April	0.7	0.8	0.7	0.8	-0.1	1.0	1.1	0.3
May	0.6	0.5	0.7	0.3	4.1	0.7	0.8	0.3
June	0.6	0.3	0.5	0.1	3.9	0.8	0.3	0.5
July	0.6	0.3	0.6	0.2	3.2	0.6	0.2	0.8
August	0.0	0.5	-0.9	0.4	-11.0	0.6	0.4	0.4
September	0.0	0.5	-0.8	0.4	-11.5	0.7	0.6	0.1
October	0.0	0.3	-0.5	0.0	-6.2	0.6	0.7	-0.1
November	0.3	0.3	0.3	0.2	0.9	0.4	0.4	0.1
December	0.4	0.4	0.5	0.3	3.0	0.2	0.3	0.4
Full year (December on December)	8.8	8.3	6.1	6.9	-1.7	9.7	9.7	11.6
<b>2010</b>								
January	1.6	0.5	1.4	0.8	7.2	0.2	0.3	3.9
February	0.9	0.5	1.3	0.8	5.6	0.3	0.3	1.0
March	0.6	0.5	1.0	0.7	4.2	0.4	0.4	0.4
April	0.3	0.2	0.3	0.2	1.1	0.3	0.3	0.2
May	0.5	0.1	0.7	-0.1	7.2	0.4	0.3	0.4
June	0.4	0.2	0.5	0.0	4.6	0.2	0.2	0.4
July	0.4	0.4	0.3	0.4	-0.6	0.3	0.2	0.6
August	0.6	0.7	0.9	1.2	-1.4	0.4	0.4	0.3
September	0.8	1.1	1.6	1.8	0.2	0.6	0.6	0.0
October	0.5	0.8	0.7	1.0	-1.8	0.6	0.7	0.0
November	0.8	0.7	1.4	1.0	4.0	0.7	0.7	0.2
December	1.1	0.7	2.1	1.2	8.6	0.4	0.4	0.4
Full year (December on December)	8.8	6.6	12.9	9.4	45.6	5.0	4.9	8.1
<b>2011</b>								
January	2.4	1.1	2.6	1.6	11.2	0.9	0.6	4.1
February	0.8	0.7	1.2	1.0	2.7	0.3	0.5	0.8
March	0.6	0.7	0.9	0.9	1.4	0.5	0.6	0.3
April	0.4	0.5	0.4	0.6	-1.6	0.5	0.5	0.5
May	0.5	0.4	0.0	0.2	-1.6	0.8	0.4	0.7
June	0.2	0.3	-0.2	0.1	-3.2	0.4	0.3	0.7
July	0.0	0.4	-0.7	0.4	-9.2	0.3	0.3	0.6
August	-0.2	0.4	-1.4	0.3	-16.0	0.5	0.4	0.3
September	0.0	0.5	-0.6	0.2	-9.8	0.7	0.7	-0.1
October	0.5	0.5	0.5	0.5	0.5	0.7	0.7	0.1
November	0.4	0.5	0.5	0.7	-1.0	0.6	0.5	0.1
December	0.4	0.4	0.7	0.6	1.3	0.3	0.4	0.3
Full year (December on December)	6.1	6.6	3.9	7.4	-24.7	6.7	6.0	8.7

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Bank of Russia estimate.

Note. Tables 1 to 7 are based on Rosstat data and Bank of Russia calculations.



Table 2

**Consumer prices by group of goods and services  
(since start of year on accrual basis, %)**

	Monthly inflation	Core inflation	Food price growth	Food price growth <sup>1</sup>	Vegetable and fruit price growth	Non-food price growth	Growth in non-food prices, excluding petrol prices <sup>2</sup>	Service price growth
<b>2009</b>								
January	2.4	1.3	1.4	1.1	4.7	0.7	1.0	6.3
February	4.1	2.9	3.3	2.6	9.8	2.3	2.8	7.8
March	5.4	4.3	5.0	4.0	14.7	3.8	4.5	8.5
April	6.2	5.2	5.8	4.8	14.6	4.8	5.7	8.7
May	6.8	5.7	6.5	5.1	19.3	5.5	6.5	9.1
June	7.4	6.0	7.0	5.2	24.0	6.3	6.9	9.6
July	8.1	6.3	7.6	5.4	28.0	7.0	7.1	10.5
August	8.1	6.8	6.6	5.8	14.0	7.6	7.6	10.9
September	8.1	7.3	5.8	6.3	0.8	8.3	8.2	11.0
October	8.1	7.6	5.2	6.3	-5.4	9.0	9.0	10.9
November	8.4	8.0	5.5	6.5	-4.5	9.4	9.4	11.1
December	8.8	8.3	6.1	6.9	-1.7	9.7	9.7	11.6
<b>2010</b>								
January	1.6	0.5	1.4	0.8	7.2	0.2	0.3	3.9
February	2.5	1.0	2.7	1.6	13.2	0.5	0.6	5.0
March	3.2	1.5	3.8	2.3	18.0	0.9	1.0	5.4
April	3.5	1.7	4.1	2.5	19.3	1.3	1.3	5.6
May	4.0	1.8	4.8	2.4	27.9	1.7	1.7	6.0
June	4.4	2.0	5.4	2.4	33.8	1.9	1.9	6.4
July	4.8	2.4	5.7	2.8	32.9	2.2	2.1	7.0
August	5.4	3.1	6.6	4.1	31.0	2.5	2.5	7.3
September	6.2	4.3	8.4	5.9	31.3	3.1	3.1	7.4
October	6.8	5.1	9.1	7.0	28.9	3.8	3.8	7.4
November	7.6	5.8	10.6	8.1	34.0	4.5	4.5	7.6
December	8.8	6.6	12.9	9.4	45.6	5.0	4.9	8.1
<b>2011</b>								
January	2.4	1.1	2.6	1.6	11.2	0.9	0.6	4.1
February	3.2	1.8	3.9	2.6	14.2	1.2	1.1	4.9
March	3.8	2.5	4.8	3.5	15.8	1.7	1.7	5.2
April	4.3	3.0	5.2	4.1	14.0	2.2	2.2	5.7
May	4.8	3.4	5.2	4.4	12.2	3.0	2.6	6.5
June	5.0	3.8	5.0	4.5	8.7	3.5	2.9	7.2
July	5.0	4.1	4.2	4.9	-1.3	3.8	3.2	7.9
August	4.7	4.6	2.8	5.2	-17.1	4.3	3.6	8.2
September	4.7	5.1	2.1	5.5	-25.2	5.0	4.3	8.1
October	5.2	5.6	2.7	6.0	-24.9	5.7	5.1	8.3
November	5.6	6.2	3.2	6.7	-25.7	6.3	5.7	8.4
December	6.1	6.6	3.9	7.4	-24.7	6.7	6.0	8.7

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Bank of Russia estimate.

Table 3

**Consumer prices by group of goods and services  
(month on corresponding month of previous year, %)**

	Monthly inflation	Core inflation <sup>1</sup>	Food price growth	Food price growth <sup>2</sup>	Vegetable and fruit price growth	Non-food price growth	Growth in non-food prices, excluding petrol prices <sup>1</sup>	Service price growth
<b>2009</b>								
January	13.4	13.9	15.9	17.3	4.1	8.1	8.9	16.9
February	13.9	14.6	16.1	17.6	3.9	9.2	10.2	17.0
March	14.0	14.9	15.8	17.5	2.5	9.9	11.2	17.0
April	13.2	14.4	14.1	16.3	-3.0	10.0	11.7	16.1
May	12.3	13.6	12.5	14.9	-5.1	9.9	11.9	15.3
June	11.9	12.9	11.9	13.7	-1.8	9.9	11.7	14.6
July	12.0	12.3	12.4	12.7	8.7	9.8	11.4	14.5
August	11.6	11.7	11.6	11.8	9.1	9.9	11.2	13.9
September	10.7	10.8	9.9	10.6	3.2	9.9	11.0	12.8
October	9.7	9.6	7.6	8.7	-2.8	9.6	10.6	12.7
November	9.1	8.8	6.6	7.6	-2.9	9.6	10.0	12.1
December	8.8	8.3	6.1	6.9	-1.7	9.7	9.7	11.6
<b>2010</b>								
January	8.0	7.5	6.1	6.6	0.7	9.1	9.0	9.1
February	7.2	6.3	5.5	5.8	1.4	7.7	7.4	8.7
March	6.5	5.4	4.8	5.1	1.1	6.6	6.1	8.4
April	6.0	4.8	4.4	4.5	2.4	5.9	5.2	8.4
May	6.0	4.4	4.4	4.1	5.4	5.7	4.7	8.4
June	5.8	4.3	4.5	4.0	6.1	5.1	4.6	8.4
July	5.5	4.4	4.2	4.2	2.1	4.8	4.6	8.2
August	6.1	4.7	6.1	5.1	13.1	4.5	4.5	8.0
September	7.0	5.3	8.7	6.5	28.0	4.4	4.6	8.0
October	7.5	5.8	10.0	7.6	33.9	4.4	4.5	8.1
November	8.1	6.2	11.2	8.5	38.0	4.7	4.8	8.1
December	8.8	6.6	12.9	9.4	45.6	5.0	4.9	8.1
<b>2011</b>								
January	9.6	7.2	14.2	10.2	51.1	5.6	5.2	8.2
February	9.5	7.4	14.2	10.5	46.9	5.6	5.4	7.9
March	9.5	7.7	14.1	10.8	42.9	5.8	5.6	7.9
April	9.6	8.0	14.1	11.2	39.1	5.9	5.8	8.2
May	9.6	8.3	13.4	11.6	27.7	6.3	5.9	8.6
June	9.4	8.4	12.5	11.7	18.3	6.6	5.9	8.8
July	9.0	8.4	11.3	11.7	8.1	6.6	6.0	8.9
August	8.2	8.1	8.8	10.7	-7.9	6.8	6.1	9.0
September	7.2	7.4	6.4	8.9	-17.1	6.8	6.1	8.8
October	7.2	7.2	6.2	8.4	-15.2	6.9	6.2	9.0
November	6.8	6.9	5.3	8.0	-19.3	6.8	6.1	8.8
December	6.1	6.6	3.9	7.4	-24.7	6.7	6.0	8.7

<sup>1</sup> Bank of Russia estimate.

<sup>2</sup> Excluding vegetables and fruit.

Table 4

**Inflation growth over period since start of year due to price changes  
by group of goods and services (percentage points)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Inflation over period, %	Core inflation	Non-core inflation <sup>2</sup>
<b>2009</b>							
January	0.4	0.3	1.6	0.2	<b>2.4</b>	1.0	1.4
February	0.9	0.9	2.0	0.4	<b>4.1</b>	2.4	1.7
March	1.4	1.4	2.1	0.5	<b>5.4</b>	3.5	2.0
April	1.6	1.8	2.2	0.5	<b>6.2</b>	4.2	2.0
May	1.8	2.1	2.3	0.7	<b>6.8</b>	4.6	2.2
June	1.8	2.4	2.4	0.9	<b>7.4</b>	4.8	2.6
July	1.9	2.6	2.6	1.0	<b>8.1</b>	5.1	3.0
August	2.0	2.9	2.7	0.5	<b>8.1</b>	5.5	2.6
September	2.1	3.1	2.8	0.0	<b>8.1</b>	5.9	2.1
October	2.1	3.4	2.7	-0.2	<b>8.1</b>	6.1	1.9
November	2.2	3.5	2.8	-0.2	<b>8.4</b>	6.4	1.9
December	2.4	3.6	2.9	-0.1	<b>8.8</b>	6.7	2.1
<b>2010</b>							
January	0.3	0.1	1.0	0.3	<b>1.6</b>	0.4	1.2
February	0.6	0.2	1.3	0.5	<b>2.5</b>	0.8	1.7
March	0.8	0.3	1.4	0.6	<b>3.2</b>	1.2	2.0
April	0.9	0.5	1.4	0.7	<b>3.5</b>	1.4	2.1
May	0.8	0.6	1.5	1.0	<b>4.0</b>	1.5	2.5
June	0.8	0.7	1.7	1.2	<b>4.4</b>	1.6	2.8
July	1.0	0.8	1.8	1.2	<b>4.8</b>	1.9	2.8
August	1.4	0.9	1.9	1.1	<b>5.4</b>	2.5	2.8
September	2.0	1.1	1.9	1.1	<b>6.2</b>	3.5	2.8
October	2.4	1.4	1.9	1.0	<b>6.8</b>	4.1	2.7
November	2.8	1.6	2.0	1.2	<b>7.6</b>	4.7	2.9
December	3.3	1.8	2.1	1.6	<b>8.8</b>	5.3	3.5
<b>2011</b>							
January	0.5	0.3	1.1	0.4	<b>2.4</b>	0.8	1.5
February	0.9	0.4	1.3	0.6	<b>3.2</b>	1.4	1.7
March	1.2	0.6	1.4	0.7	<b>3.8</b>	2.0	1.8
April	1.4	0.8	1.5	0.6	<b>4.3</b>	2.4	1.8
May	1.5	1.1	1.7	0.5	<b>4.8</b>	2.7	2.0
June	1.6	1.2	1.9	0.4	<b>5.0</b>	3.0	2.0
July	1.7	1.3	2.0	-0.1	<b>5.0</b>	3.3	1.7
August	1.8	1.5	2.1	-0.7	<b>4.7</b>	3.6	1.1
September	1.9	1.8	2.1	-1.1	<b>4.7</b>	4.1	0.6
October	2.1	2.0	2.1	-1.0	<b>5.2</b>	4.5	0.7
November	2.3	2.2	2.2	-1.1	<b>5.6</b>	4.9	0.7
December	2.5	2.4	2.3	-1.0	<b>6.1</b>	5.3	0.8

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

Table 5

**Monthly inflation growth due to price changes  
by group of goods and services (percentage points)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Inflation over period, %	Core inflation	Non-core inflation <sup>2</sup>
<b>2009</b>							
January	0.4	0.3	1.6	0.2	<b>2.4</b>	1.0	1.4
February	0.5	0.6	0.4	0.2	<b>1.7</b>	1.3	0.3
March	0.5	0.5	0.2	0.2	<b>1.3</b>	1.1	0.2
April	0.3	0.4	0.1	0.0	<b>0.7</b>	0.7	0.0
May	0.1	0.3	0.1	0.2	<b>0.6</b>	0.4	0.2
June	0.0	0.3	0.1	0.2	<b>0.6</b>	0.2	0.4
July	0.1	0.2	0.2	0.1	<b>0.6</b>	0.2	0.4
August <sup>3</sup>					<b>0.0</b>		
September <sup>3</sup>					<b>0.0</b>		
October <sup>3</sup>					<b>0.0</b>		
November	0.1	0.1	0.0	0.0	<b>0.3</b>	0.3	0.0
December	0.1	0.1	0.1	0.1	<b>0.4</b>	0.3	0.1
<b>2010</b>							
January	0.3	0.1	1.0	0.3	<b>1.6</b>	0.4	1.2
February	0.3	0.1	0.3	0.2	<b>0.9</b>	0.4	0.5
March	0.2	0.1	0.1	0.2	<b>0.6</b>	0.4	0.3
April	0.1	0.1	0.1	0.0	<b>0.3</b>	0.2	0.1
May	0.0	0.1	0.1	0.3	<b>0.5</b>	0.1	0.4
June	0.0	0.1	0.1	0.2	<b>0.4</b>	0.2	0.3
July	0.1	0.1	0.2	0.0	<b>0.4</b>	0.3	0.1
August	0.4	0.1	0.1	-0.1	<b>0.6</b>	0.6	0.0
September	0.6	0.2	0.0	0.0	<b>0.8</b>	0.9	-0.1
October	0.4	0.2	0.0	-0.1	<b>0.5</b>	0.6	-0.1
November	0.3	0.2	0.1	0.2	<b>0.8</b>	0.6	0.3
December	0.4	0.2	0.1	0.4	<b>1.1</b>	0.6	0.5
<b>2011</b>							
January	0.5	0.3	1.1	0.4	<b>2.4</b>	0.8	1.5
February	0.3	0.1	0.2	0.2	<b>0.8</b>	0.6	0.2
March	0.3	0.2	0.1	0.1	<b>0.6</b>	0.6	0.1
April	0.2	0.2	0.1	-0.1	<b>0.4</b>	0.4	0.0
May	0.1	0.3	0.2	-0.1	<b>0.5</b>	0.3	0.2
June	0.0	0.1	0.2	-0.1	<b>0.2</b>	0.3	0.0
July <sup>3</sup>					<b>0.0</b>		
August <sup>3</sup>					<b>-0.2</b>		
September <sup>3</sup>					<b>0.0</b>		
October	0.2	0.3	0.0	0.0	<b>0.5</b>	0.4	0.1
November	0.2	0.2	0.0	0.0	<b>0.4</b>	0.4	0.0
December	0.2	0.1	0.1	0.0	<b>0.4</b>	0.3	0.1

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

<sup>3</sup> Owing to zero or negative inflation, estimates may vary.

Table 6

**Contribution to inflation growth over period since start of year  
by group of goods and services (%)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Core inflation	Non-core inflation <sup>2</sup>
<b>2009</b>						
January	15.6	11.3	66.2	7.0	42.3	57.7
February	22.1	21.5	47.9	8.6	57.7	42.3
March	25.3	26.1	38.9	9.7	64.0	36.0
April	26.7	29.3	35.5	8.5	67.9	32.1
May	25.9	30.5	33.4	10.2	67.5	32.5
June	24.1	31.9	32.4	11.6	65.0	35.0
July	23.0	32.3	32.3	12.4	62.6	37.4
August	24.7	35.3	33.8	6.2	67.6	32.4
September	26.7	38.7	34.2	0.4	73.3	26.7
October	26.6	41.9	33.8	-2.4	76.3	23.7
November	26.7	42.2	33.0	-1.9	76.7	23.3
December	26.7	41.1	32.9	-0.7	76.4	23.6
<b>2010</b>						
January	17.3	4.7	61.6	16.3	25.6	74.4
February	22.2	7.3	51.4	19.1	31.6	68.4
March	25.2	10.4	43.9	20.6	37.4	62.6
April	25.0	13.2	41.7	20.2	39.8	60.2
May	20.9	15.3	38.5	25.3	37.2	62.8
June	19.0	15.8	37.5	27.7	37.2	62.8
July	20.5	16.6	38.0	24.9	40.4	59.6
August	26.4	17.3	35.4	20.9	47.1	52.9
September	32.9	18.3	30.6	18.2	55.5	44.5
October	35.9	20.5	28.2	15.5	60.5	39.5
November	36.7	21.6	25.7	16.1	61.5	38.5
December	37.0	20.7	23.6	18.7	60.3	39.7
<b>2011</b>						
January	23.1	13.7	45.7	17.6	35.4	64.6
February	28.0	13.4	39.8	18.7	44.8	55.2
March	31.4	15.8	35.5	17.3	52.0	48.0
April	33.3	18.2	34.8	13.7	56.8	43.2
May	31.5	22.5	35.2	10.7	57.3	42.7
June	31.0	24.5	37.3	7.3	59.8	40.2
July	33.6	26.7	40.8	-1.1	66.0	34.0
August	37.8	32.2	45.0	-15.1	76.8	23.2
September	39.9	37.7	44.9	-22.5	86.3	13.7
October	39.6	39.2	41.2	-20.0	86.7	13.3
November	40.7	39.8	38.5	-19.0	87.4	12.6
December	41.3	38.7	36.9	-16.9	86.6	13.5

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

**Contribution to monthly inflation growth  
by group of goods and services (%)**

	Foodstuffs <sup>1</sup>	Non-food products	Paid services	Vegetables and fruit	Core inflation	Non-core inflation <sup>2</sup>
<b>2009</b>						
January	15.6	11.3	66.2	7.0	42.3	57.7
February	31.2	35.9	22.0	10.9	79.5	20.5
March	35.2	40.0	11.7	13.1	83.0	17.0
April	37.5	53.9	9.3	-0.7	97.1	2.9
May	17.1	42.5	13.3	27.1	62.6	37.4
June	5.7	46.9	20.7	26.8	38.4	61.6
July	10.8	35.8	31.6	21.8	35.3	64.7
August <sup>3</sup>						
September <sup>3</sup>						
October <sup>3</sup>						
November	28.1	49.4	12.3	10.2	87.7	12.3
December	27.3	19.3	30.1	23.3	70.2	29.8
<b>2010</b>						
January	17.3	4.7	61.6	16.3	25.6	74.4
February	30.6	11.7	33.6	24.1	42.2	57.8
March	36.4	22.1	15.4	26.0	59.6	40.4
April	23.4	42.8	18.0	15.8	65.3	34.7
May	-5.6	29.1	18.0	58.5	20.5	79.5
June	0.9	20.8	28.1	50.2	36.6	63.4
July	38.7	26.1	43.8	-8.5	79.6	20.4
August	75.8	22.8	13.2	-11.8	102.9	-2.9
September	72.6	25.0	1.4	1.0	107.1	-7.1
October	71.1	46.0	-0.8	-16.3	119.3	-19.3
November	42.4	30.1	6.3	21.2	68.8	31.2
December	38.5	15.0	10.4	36.1	52.4	47.6
<b>2011</b>						
January	23.1	13.7	45.7	17.6	35.4	64.6
February	42.7	12.7	22.4	22.2	72.9	27.1
March	48.1	27.7	14.0	10.3	87.5	12.5
April	48.8	38.8	29.1	-16.7	96.9	3.1
May	16.9	59.7	38.3	-14.9	61.7	38.3
June	19.7	64.0	79.1	-62.7	110.0	-10.0
July <sup>3</sup>						
August <sup>3</sup>						
September <sup>3</sup>						
October	37.0	52.5	7.6	2.9	89.4	10.6
November	54.5	47.2	5.6	-7.3	95.5	4.5
December	48.0	24.7	18.1	9.2	76.0	24.0

<sup>1</sup> Excluding vegetables and fruit.

<sup>2</sup> Growth in prices of goods and paid services not included in the calculation of the core consumer price index.

<sup>3</sup> Owing to zero or negative inflation, estimates may vary.

Table 8

## Russia's key macroeconomic and financial indicators

		Year	Q1	Q2	Q3	Q4	
<b>Macroeconomic indicators</b>							
GDP <sup>1</sup>	over period since start of year, billions of rubles	2009	8,306	17,528	27,967	38,809	
		2010	9,572	20,195	31,968	45,166	
		2011	11,410	24,167	38,222	54,369	
	over period since start of year, as % of corresponding period of previous year	2009	90.8	...	...	92.2	
		2010	103.5	104.3	103.9	104.3	
		2011	104.1	103.7	104.1	104.3	
	as % of corresponding quarter of previous year	2009	90.8	88.8	91.4	97.4	
		2010	103.5	105.0	103.1	104.5	
		2011	104.1	103.4	104.8	...	
Industrial output index	as % of corresponding quarter of previous year	2009	84.5	86.4	90.4	101.8	
		2010	109.5	110.9	106.4	106.5	
		2011	105.9	104.8	105.1	103.3	
	over period since start of year, as % of corresponding period of previous year	2009	84.5	85.5	87.1	90.7	
		2010	109.5	110.2	108.9	108.2	
		2011	105.9	105.3	105.2	104.7	
Agricultural output	as % of corresponding quarter of previous year	2009	102.2	100.7	98.9	105.1	
		2010	100.5	98.6	79.2	96.2	
		2011	100.7	100.6	126.1	132.6	
	over period since start of year, as % of corresponding period of previous year	2009	102.2	...	...	101.4	
		2010	100.5	99.4	87.0	88.7	
		2011	100.7	100.7	118.2	122.1	
Fixed capital investment	over period since start of year, billions of rubles	2009	1,224.3	2,946.4	5,007.4	7,976.0	
		2010	1,242.6	3,205.1	5,566.2	9,151.4	
		2011	1,353.0	3,598.0	6,355.5	10,560.5	
	as % of corresponding quarter of previous year	2009	82.0	79.1	82.3	90.7	
		2010	95.2	105.6	105.3	111.1	
		2011	99.2	105.0	107.7	108.5	
Retail trade turnover	over period since start of year, billions of rubles	2009	3,327.2	6,836.5	10,521.3	14,584.7	
		2010	3,625.7	7,560.2	11,764.0	16,468.6	
		2011	4,182.8	8,758.6	13,642.2	19,075.0	
	as % of corresponding quarter of previous year	2009	100.5	94.8	91.2	94.3	
		2010	102.2	106.9	108.4	107.4	
		2011	105.2	106.1	107.9	109.1	
Federal budget on accrual basis, as of end of period	revenue	billions of rubles	2009	1,732.7	3,172.2	5,114.4	7,337.8
			2010	1,954.9	3,997.9	6,008.6	8,305.4
			2011	2,392.8	5,306.4	8,213.0	11,366.0 <sup>2</sup>
		as % of GDP	2009	20.9 <sup>2</sup>	18.1 <sup>2</sup>	18.3 <sup>2</sup>	18.9
			2010	20.4 <sup>2</sup>	19.8 <sup>2</sup>	18.8 <sup>2</sup>	18.4
			2011	21.0 <sup>2</sup>	22.0 <sup>2</sup>	21.5 <sup>2</sup>	20.9 <sup>2</sup>
	expenditure	billions of rubles	2009	1,762.4	3,893.8	6,441.7	9,660.1
			2010	2,199.5	4,386.2	6,701.2	10,117.4
			2011	2,214.7	4,602.9	7,082.1	10,935.2 <sup>2</sup>
		as % of GDP	2009	21.2 <sup>2</sup>	22.2 <sup>2</sup>	23.0 <sup>2</sup>	24.9
			2010	23.0 <sup>2</sup>	21.7 <sup>2</sup>	21.0 <sup>2</sup>	22.4
			2011	19.4 <sup>2</sup>	19.0 <sup>2</sup>	18.5 <sup>2</sup>	20.1 <sup>2</sup>
surplus(+)/deficit(-)	billions of rubles	2009	-29.7	-721.7	-1,327.2	-2,322.3	
		2010	-244.6	-388.3	-692.6	-1,812.0	
		2011	178.0	703.5	1,130.9	430.8 <sup>2</sup>	
	as % of GDP	2009	-0.4 <sup>2</sup>	-4.1 <sup>2</sup>	-4.7 <sup>2</sup>	-6.0	
		2010	-2.6 <sup>2</sup>	-1.9 <sup>2</sup>	-2.2 <sup>2</sup>	-4.0	
		2011	1.6 <sup>2</sup>	2.9 <sup>2</sup>	3.0 <sup>2</sup>	0.8 <sup>2</sup>	
General government budget on accrual basis, as of end of period	revenue	billions of rubles	2009	3,033.5	6,042.7	9,555.0	13,599.7
			2010	3,463.1	7,603.5	11,419.4	16,031.9
			2011	4,392.5	9,885.1	15,170.8	20,853.7 <sup>2</sup>
		as % of GDP	2009	36.5 <sup>2</sup>	34.5 <sup>2</sup>	34.2 <sup>2</sup>	35.0
			2010	36.2 <sup>2</sup>	37.6 <sup>2</sup>	35.7 <sup>2</sup>	35.5
			2011	38.5 <sup>2</sup>	40.9 <sup>2</sup>	39.7 <sup>2</sup>	38.4 <sup>2</sup>
	expenditure	billions of rubles	2009	2,807.1	6,619.7	10,503.9	16,048.3
			2010	3,220.7	7,331.2	11,309.8	17,616.6
			2011	3,575.4	8,138.7	12,745.4	20,004.8 <sup>2</sup>
		as % of GDP	2009	33.8 <sup>2</sup>	37.8 <sup>2</sup>	37.6 <sup>2</sup>	41.4
			2010	33.6 <sup>2</sup>	36.3 <sup>2</sup>	35.4 <sup>2</sup>	39.0
			2011	31.3 <sup>2</sup>	33.7 <sup>2</sup>	33.3 <sup>2</sup>	36.8 <sup>2</sup>
	surplus(+)/deficit(-)	billions of rubles	2009	226.4	-577.0	-948.9	-2,448.6
			2010	242.4	272.3	109.7	-1,584.6
			2011	817.0	1,746.4	2,425.4	848.8 <sup>2</sup>
as % of GDP		2009	2.7 <sup>2</sup>	-3.3 <sup>2</sup>	-3.4 <sup>2</sup>	-6.3	
		2010	2.5 <sup>2</sup>	1.3 <sup>2</sup>	0.3 <sup>2</sup>	-3.5	
		2011	7.2 <sup>2</sup>	7.2 <sup>2</sup>	6.3 <sup>2</sup>	1.6 <sup>2</sup>	

Note. Table 8 is based on data compiled by the Bank of Russia, the Federal State Statistics Service, the Ministry of Finance of the Russian Federation and the Federal Treasury.

Table 8 (continued)

		Year	Q1	Q2	Q3	Q4	
<b>Socio-economic indicators</b>							
Nominal imputed average monthly per employee wage	rubles	2009	17,441	18,419	18,673	20,670	
		2010	19,485	20,809	21,031	23,491	
		2011	21,354	23,154	23,352	26,262	
	as % of corresponding quarter of previous year	2009	112.8	108.0	105.7	108.4	
		2010	110.5	112.4	111.6	112.7	
		2011	111.2	112.5	112.2	113.0	
over period since start of year, as % of corresponding period of previous year	2009	112.8	...	...	107.8		
	2010	110.5	111.5	111.5	112.4		
	2011	111.2	111.8	111.9	112.2		
Real imputed average monthly per employee wage, as % of corresponding quarter of previous year		2009	99.2	96.1	94.8	99.3	
		2010	103.1	106.1	105.1	104.2	
		2011	101.6	102.7	103.8	105.9	
Household money income (per capita monthly average), rubles		2009	14,149.9	17,070.1	16,831.4	19,978.6	
		2010	16,079.6	18,656.1	18,636.4	22,132.5	
		2011	17,673.2	20,308.8	20,564.1	24,343.7	
Household real disposable money income	as % of corresponding quarter of previous year	2009	101.9	103.9	97.4	109.1	
		2010	108.1	104.3	105.8	102.9	
		2011	100.0	99.0	101.6	102.7	
	over period since start of year, as % of corresponding period of previous year	2009	101.9	...	...	103.1	
		2010	108.1	106.0	105.9	105.1	
		2011	100.0	99.4	100.2	100.8	
Household spending, as % of income	purchase of goods and payment for services	2009	77.0	67.4	71.6	65.4	
		2010	72.9	68.1	72.4	67.2	
		2011	78.6	72.8	76.1	70.3	
	obligatory payments and contributions	2009	11.1	10.4	10.8	9.8	
		2010	9.4	9.7	10.1	10.1	
		2011	9.6	9.8	10.4	10.4	
	growth in savings	2009	8.2	16.4	12.1	17.3	
		2010	15.8	15.5	12.1	15.1	
		2011	10.6	11.1	6.8	12.4	
	purchase of foreign currency	2009	10.1	3.4	5.9	3.5	
		2010	3.2	3.2	4.1	4.0	
		2011	3.8	3.9	4.8	4.4	
	cash on hand	2009	-6.4	2.4	-0.4	4.0	
		2010	-1.3	3.5	1.3	3.6	
		2011	-2.6	2.4	1.9	2.5	
	Average imputed pension, total, rubles		2009	4,614	5,151	5,330	5,670
			2010	7,126	7,580	7,596	7,604
			2011	8,011	8,254	8,263	8,284
Real imputed pension	as % of corresponding quarter of previous year	2009	106.1	113.3	109.1	114.2	
		2010	144.1	138.9	134.3	124.1	
		2011	102.7	99.4	100.6	102.1	
	over period since start of year, as % of corresponding period of previous year	2009	106.1	...	...	110.7	
		2010	144.1	141.3	138.8	134.8	
		2011	102.7	101.0	100.9	101.2	
Total number of unemployed (calculated by ILO methodology)	million	2009	6.8	6.5	6.0	6.1	
		2010	6.6	5.6	5.2	5.2	
		2011	5.6	5.0	4.8	4.7	
	as % of economically active population	2009	9.1	8.6	7.8	8.0	
		2010	8.8	7.4	6.8	6.9	
		2011	7.5	6.6	6.2	6.3	



Table 8 (continued)

		Year	Q1	Q2	Q3	Q4	
<b>Foreign economic activities</b>							
Price of Urals crude, over period since start of year	\$/barrel	2009	43.2	50.6	56.4	60.8	
		2010	75.1	75.9	75.8	78.2	
		2011	102.6	108.3	109.7	109.6	
	as % of corresponding period of previous year	2009	46.2	48.0	52.3	64.6	
		2010	173.8	150.0	134.5	128.6	
		2011	136.6	142.7	144.7	140.1	
Exports of goods, over period since start of year	\$ billion	2009	57.3	125.4	207.8	303.4	
		2010	92.2	189.9	287.5	400.4	
		2011	113.3	247.0	377.8	521.4 <sup>3</sup>	
	as % of corresponding period of previous year	2009	52.0	52.9	55.6	64.3	
		2010	161.1	151.5	138.4	132.0	
		2011	122.8	130.1	131.4	130.2 <sup>3</sup>	
Imports of goods, over period since start of year	\$ billion	2009	38.5	82.4	131.5	191.8	
		2010	45.7	103.9	172.3	248.7	
		2011	65.1	148.1	232.0	323.3 <sup>3</sup>	
	as % of corresponding period of previous year	2009	63.9	60.7	60.1	65.7	
		2010	118.8	126.0	131.1	129.7	
		2011	142.4	142.6	135.2	130.0 <sup>3</sup>	
Current account balance (over period since start of year), \$ billion		2009	9.7	17.6	32.7	48.6	
		2010	33.6	52.1	57.6	70.3	
		2011	31.2	53.1	71.5	101.1 <sup>3</sup>	
Private sector net capital outflow (inflow) (over period since start of year), \$ billion		2009	-35.0	-31.4	-64.9	-56.1	
		2010	-15.0	-11.5	-14.3	-33.6	
		2011	-20.1	-27.5	-46.4	-84.2 <sup>3</sup>	
Foreign investment in Russia's non-financial sector (Rosstat data), over period since start of year	\$ billion	2009	12.0	32.2	54.7	81.9	
		2010	13.1	30.4	47.5	114.7	
		2011	44.3	87.7	133.8		
	as % of corresponding period of previous year	2009	69.7	69.1	72.2	79.0	
		2010	109.3	94.5	86.8	140.1	
		2011	by 3.4 times	by 2.9 times	by 2.8 times		
of which:	direct	\$ billion	2009	3.2	6.1	10.0	15.9
			2010	2.6	5.4	8.2	13.8
			2011	3.9	7.0	11.7	
		as % of corresponding period of previous year	2009	57.0	55.0	51.9	58.9
			2010	82.4	89.0	82.2	86.8
			2011	148.3	129.8	143.2	
	portfolio	\$ billion	2009	0.1	0.9	1.0	0.9
			2010	0.3	0.7	0.9	1.1
			2011	0.1	0.2	0.5	
		as % of corresponding period of previous year	2009	93.5	74.9	78.6	62.3
			2010	by 2.5 times	81.1	85.0	121.9
			2011	41.8	34.5	61.8	
	other	\$ billion	2009	8.7	25.2	43.7	65.1
			2010	10.2	24.3	38.4	99.9
			2011	40.3	80.4	121.5	
as % of corresponding period of previous year		2009	75.6	73.5	79.1	86.5	
		2010	117.1	96.2	87.8	153.3	
		2011	by 3.9 times	by 3.3 times	by 3.2 times		
Russia's international reserves (as of end of period), \$ billion		2009	383.8	412.5	413.4	439.5	
		2010	447.4	461.2	490.1	479.4	
		2011	502.5	524.5	516.8	498.6	
Real ruble exchange rate index (last month of quarter), growth as % of December of previous year <sup>4</sup>	rubles per US dollar	2009	-15.4	-5.0	-3.9	-0.4	
		2010	3.6	-0.7	2.0	4.0	
		2011	10.5	12.4	2.4	1.1	
	rubles per euro	2009	-12.0	-7.0	-9.0	-6.5	
		2010	11.7	18.6	14.5	14.5	
		2011	5.2	4.6	-0.9	1.6	
	effective rate	2009	-10.0	-4.2	-5.6	-3.9	
		2010	7.4	9.7	6.8	6.9	
		2011	6.9	8.4	1.0	3.8	

Table 8 (continued)

		Year	Q1	Q2	Q3	Q4
<b>Financial market indicators (including Sberbank interest rates)</b>						
Average for period						
Overnight interbank credit rate, % p.a.	in rubles	2009	11.6	7.7	7.1	5.5
		2010	4.2	3.1	2.6	2.9
		2011	2.8	3.6	4.1	5.1
	in US dollars	2009	0.2	0.2	0.2	0.2
		2010	0.2	0.3	0.3	0.3
		2011	0.2	0.2	0.2	0.2
OFZ yields, % p.a. <sup>5</sup>		2009	10.5	10.3	10.6	9.1
		2010	7.9	7.4	7.3	7.4
		2011	7.5	7.5	7.6	8.0
Interest rate on household time deposits, % p.a.	up to 1 year in rubles	2009	10.0	10.8	10.7	10.2
		2010	8.5	7.1	6.0	5.6
		2011	5.3	5.1	5.1	6.4
	over 1 year in rubles	2009	10.0	10.3	9.3	9.2
		2010	7.7	6.2	5.3	4.8
		2011	5.6	5.6	6.0	6.9
	up to 1 year in US dollars	2009	6.0	5.3	5.5	5.2
		2010	4.3	3.7	3.6	3.7
		2011	3.5	3.1	3.1	3.5
	over 1 year in US dollars	2009	6.5	6.1	5.7	5.5
		2010	4.9	4.8	4.4	4.7
		2011	4.5	4.6	4.2	4.7
Interest rate on loans to non-financial organisations, % p.a.	up to 1 year in rubles	2009	16.6	15.8	14.9	13.9
		2010	12.8	11.4	10.0	9.1
		2011	8.7	8.3	8.0	8.9
	over 1 year in rubles	2009	15.1	16.2	15.8	14.7
		2010	13.9	12.3	11.4	10.5
		2011	10.6	10.5	10.3	10.1
	up to 1 year in US dollars	2009	10.7	10.1	10.0	9.3
		2010	8.3	7.5	6.9	6.1
		2011	6.2	4.4	4.7	5.3
	over 1 year in US dollars	2009	12.7	11.6	10.7	9.0
		2010	10.3	8.8	7.4	8.0
		2011	7.3	7.3	7.2	7.5
Interest rate on ruble-denominated promissory notes discounted by banks, % p.a.		2009	15.7	14.3	14.0	11.8
Interest rate on ruble-denominated promissory notes issued by non-financial organisations and discounted by credit institutions, % p.a. <sup>6</sup>		2010	14.1	11.6	10.8	10.2
		2011	8.4	10.0	8.9	9.4
Interest rate on ruble-denominated promissory notes issued and discounted by credit institutions, % p.a. <sup>6</sup>		2010	9.3	7.8	7.4	7.5
		2011	7.4	7.5	8.4	8.3
MICEX rate in «tomorrow» trades, ruble/US dollar		2009	34.4761	32.2032	31.3160	29.4737
		2010	29.8318	30.2891	30.6072	30.7248
		2011	29.1281	27.9951	29.1545	31.2231
As of end of quarter						
RTS index, points		2009	689.63	987.02	1,254.52	1,444.61
		2010	1,572.48	1,339.35	1,507.66	1,770.28
		2011	2,044.20	1,906.71	1,341.09	1,381.87
Refinancing rate, % p.a.		2009	13.00	11.50	10.00	8.75
		2010	8.25	7.75	7.75	7.75
		2011	8.00	8.25	8.25	8.00

Table 8 (end)

	Year	1.01	1.04	1.07	1.10	
<b>Monetary indicators</b>						
M0, billions of rubles	2010	4,038.1	3,986.1	4,367.7	4,524.5	
	2011	5,062.7	4,918.2	5,192.2	5,420.4	
	2012	5,938.6				
M2, billions of rubles	2010	15,267.6	15,639.4	16,900.9	17,690.2	
	2011	20,011.9	19,819.0	20,745.3	21,497.4	
	2012	24,543.4				
Broad money, billions of rubles	2010	19,095.8	19,309.7	20,557.1	21,318.6	
	2011	23,791.2	23,641.1	24,455.0	25,680.3	
	2012	28,814.9				
Net foreign assets, billions of rubles	2010	13,942.7	13,816.0	14,814.0	15,119.3	
	2011	15,041.2	15,025.3	15,599.9	17,514.6	
	2012	17,267.8				
Domestic claims, billions of rubles	2010	13,241.8	13,460.4	14,097.3	15,003.0	
	2011	17,468.2	17,005.1	17,234.7	18,635.9	
	2012	22,195.9				
Broad monetary base, billions of rubles	2010	6,467.3	6,363.9	7,195.0	7,126.0	
	2011	8,190.3	7,514.2	7,410.3	7,407.9	
	2012	6,895.8				
Balances of correspondent accounts, billions of rubles	2010	900.3	579.5	603.6	590.0	
	2011	994.7	597.2	786.5	781.6	
	2012	981.6				
Monetisation of the economy (by M2 aggregate), %	2010	32.8	33.6	35.0	36.5	
	2011	37.5	37.9	38.1	37.9	
	2012	38.3 <sup>2</sup>				
Money multiplier	by broad monetary base	2010	2.36	2.46	2.35	2.48
		2011	2.44	2.64	2.80	2.90
		2012	2.84			
	change since start of year, %	2010	1.5 <sup>7</sup>	4.1	-0.5	5.2
		2011	3.5 <sup>7</sup>	7.9	14.6	18.8
		2012	16.2 <sup>7</sup>			
Foreign exchange rates	rubles per US dollar	2010	30.19	29.50	31.26	30.51
		2011	30.35	28.52	27.87	32.11
		2012	32.20			
	rubles per euro	2010	43.46	39.57	38.21	41.44
		2011	40.49	40.39	40.42	43.42
		2012	41.67			

<sup>1</sup> Data for 2009, 2010 and 2011 have been recalculated without linkage to the quarterly data. Quarterly results will be actualised in March 2012.

<sup>2</sup> Preliminary data.

<sup>3</sup> Estimate.

<sup>4</sup> (+) signifies appreciation of the ruble, (-) signifies depreciation of the ruble.

<sup>5</sup> OFZ effective market portfolio indicator.

<sup>6</sup> Owing to the coming into force of Bank of Russia Ordinance No. 2332-U, dated November 12, 2009, the set of indicators used to characterise credit institutions' interest rate policy in the promissory note market changed from January 2010. Specifically, the single yield indicator for the promissory notes discounted by banks has been replaced by two indicators: the yield indicator for promissory notes issued by credit institutions and the yield indicator for promissory notes issued by non-financial organisations. These indicators are calculated only for operations with promissory notes denominated in Russian rubles.

<sup>7</sup> Relative to beginning of previous year.

Bank of Russia interest rates<sup>1</sup> in 2011

Purpose	Type of instrument	Instrument	Period	Interest rate, % p.a.					
				From 1.01.11 to 27.02.11	From 28.02.11 to 2.05.11	From 3.05.11 to 30.05.11	From 31.05.11 to 14.09.11	From 15.09.11 to 25.12.11	From 26.12.11
Providing liquidity	Standing facilities (fixed rates)	Overnight loans <sup>2</sup>	1 day	7.75	8.00	8.25	8.25	8.25	8.00
		Currency swap operations <sup>3</sup>	1 day	7.75	8.00	8.25	8.25	8.25	8.00
		Repo, Lombard loans	1 day	6.75	6.75	6.75	6.75	6.50	6.25
		Lombard loans	7 days	6.75	6.75	6.75	6.75	6.50	6.25
			30 days <sup>4</sup>	6.75	6.75	6.75	6.75	6.50	6.25
		Repo	7 days <sup>5</sup>	6.75	6.75	6.75	6.75	6.50	6.25
			12 months <sup>5</sup>	7.50	7.75	8.00	8.00	7.75	7.75
		Loans secured by gold <sup>6</sup>	Up to 90 days				7.00	6.75	6.75
			From 91 to 180 days					7.25	7.25
		Loans secured by non-market assets or guarantees <sup>7</sup>	Up to 90 days	6.75	7.00	7.25	7.25	7.00	7.00
	From 91 to 180 days <sup>8</sup>		7.25	7.50	7.75	7.75	7.50	7.50	
	From 181 to 365 days <sup>5</sup>		7.75	8.00	8.25	8.25	8.25	8.00	
	Open market operations (minimum interest rates)	Repo auctions	1 day	5.00	5.25	5.50	5.50	5.25	5.25
		Repo auctions, Lombard loan auctions	7 days	5.00	5.25	5.50	5.50	5.25	5.25
			3 months	6.50	6.75	7.00	7.00	6.75	6.75
			6 months <sup>5</sup>	7.00	7.25	7.50	7.50	7.25	7.25
12 months <sup>5</sup>			7.50	7.75	8.00	8.00	7.75	7.75	
Absorbing liquidity	Standing facilities (fixed rates)	Deposit operations	demand, 1 day	2.75	3.00	3.25	3.50	3.75	4.00
			7 days	3.00	3.00	3.25	3.50	3.75	4.00
	Open market operations (maximum interest rates)	Deposit auctions	1 month	5.00	5.00	5.25	5.50	5.50	5.50
			3 months <sup>5</sup>	6.00	6.00	6.25	6.50	6.50	6.50
<b>Memo item:</b>									
Refinancing rate				7.75	8.00	8.25	8.25	8.25	8.00

<sup>1</sup> Interest rates set by the Bank of Russia Board of Directors.

<sup>2</sup> Provided pursuant to Bank of Russia Regulations No. 236-P, dated August 4, 2003, No. 312-P, dated November 12, 2007, and No. 362-P, dated November 30, 2010.

<sup>3</sup> Interest rate to determine the minimum swap difference.

<sup>4</sup> The issue of loans was suspended from February 10, 2011.

<sup>5</sup> Operations were not held in 2011; a decision was earlier taken on their suspension.

<sup>6</sup> The interest rate on loans with a term of up to 90 days was set at 7% p.a. from August 29, 2011, and the interest rate on loans for a term of 91 to 180 days was set at 7.25% p.a. from November 1, 2011.

<sup>7</sup> The provision of loans secured by guarantees was suspended from March 1, 2011, to September 30, 2011.

<sup>8</sup> The provision of loans was suspended from February 10, 2011, to October 31, 2011.

Table 10

**Credit institutions' required reserve ratios  
(from July 1, 2007 to October 31, 2009, %)**

	Required reserve ratio for bank obligations to non-resident banks in Russian and foreign currency	Required reserve ratio for obligations to individuals in Russian currency	Required reserve ratio for other bank obligations in Russian and foreign currency
July 1, 2007 — October 10, 2007	4.5	4.0	4.5
October 11, 2007 — January 14, 2008	3.5	3.0	3.5
January 15, 2008 — February 29, 2008	4.5	4.0	4.5
March 1, 2008 — June 30, 2008	5.5	4.5	5.0
July 1, 2008 — August 31, 2008	7.0	5.0	5.5
September 1, 2008 — September 17, 2008	8.5	5.5	6.0
September 18, 2008 — October 14, 2008	4.5	1.5	2.0
October 15, 2008 — April 30, 2009	0.5	0.5	0.5
May 1, 2009 — May 31, 2009	1.0	1.0	1.0
June 1, 2009 — June 30, 2009	1.5	1.5	1.5
July 1, 2009 — July 31, 2009	2.0	2.0	2.0
August 1, 2009 — October 31, 2009	2.5	2.5	2.5

Table 11

**Credit institutions' required reserve ratios  
(from November 1, 2009, up to present, %)**

	Required reserve ratio for bank obligations to non-resident legal entities in Russian currency	Required reserve ratio for bank obligations to non-resident legal entities in foreign currency	Required reserve ratio for obligations to individuals in Russian currency	Required reserve ratio for obligations to individuals in foreign currency	Required reserve ratio for other bank obligations in Russian currency	Required reserve ratio for other bank obligations in foreign currency
November 1, 2009 — January 31, 2011	2.5					
February 1, 2011 — February 28, 2011	3.5		3.0		3.0	
March 1, 2011 — March 31, 2011	4.5		3.5		3.5	
April 1, 2011 —	5.5		4.0		4.0	

