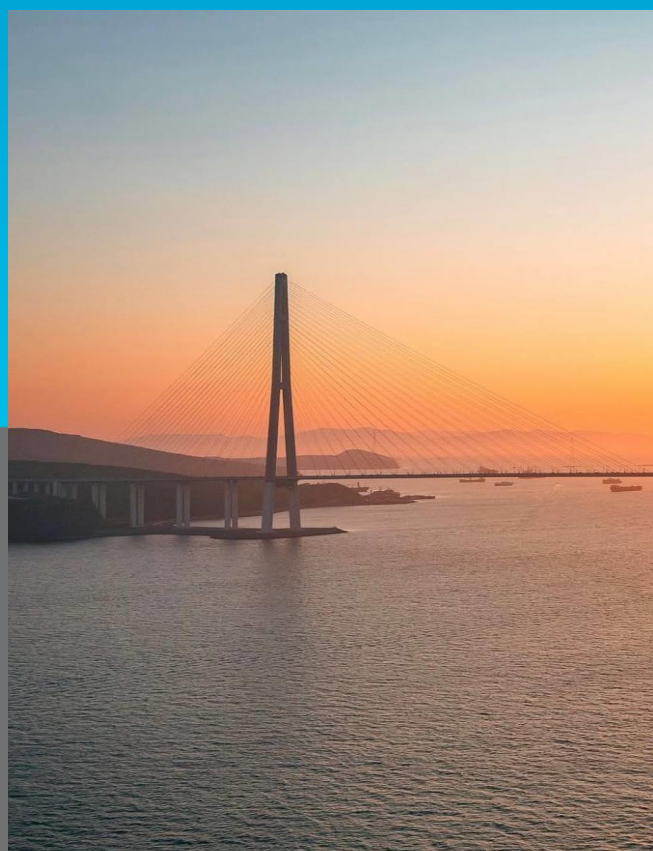




Bank of Russia



REGIONAL ECONOMY: COMMENTARIES BY BANK OF RUSSIA MAIN BRANCHES

No. 38 • September 2025

3 September 2025

The report was prepared by the economic divisions of the Bank of Russia regional branches jointly with the Monetary Policy Department.

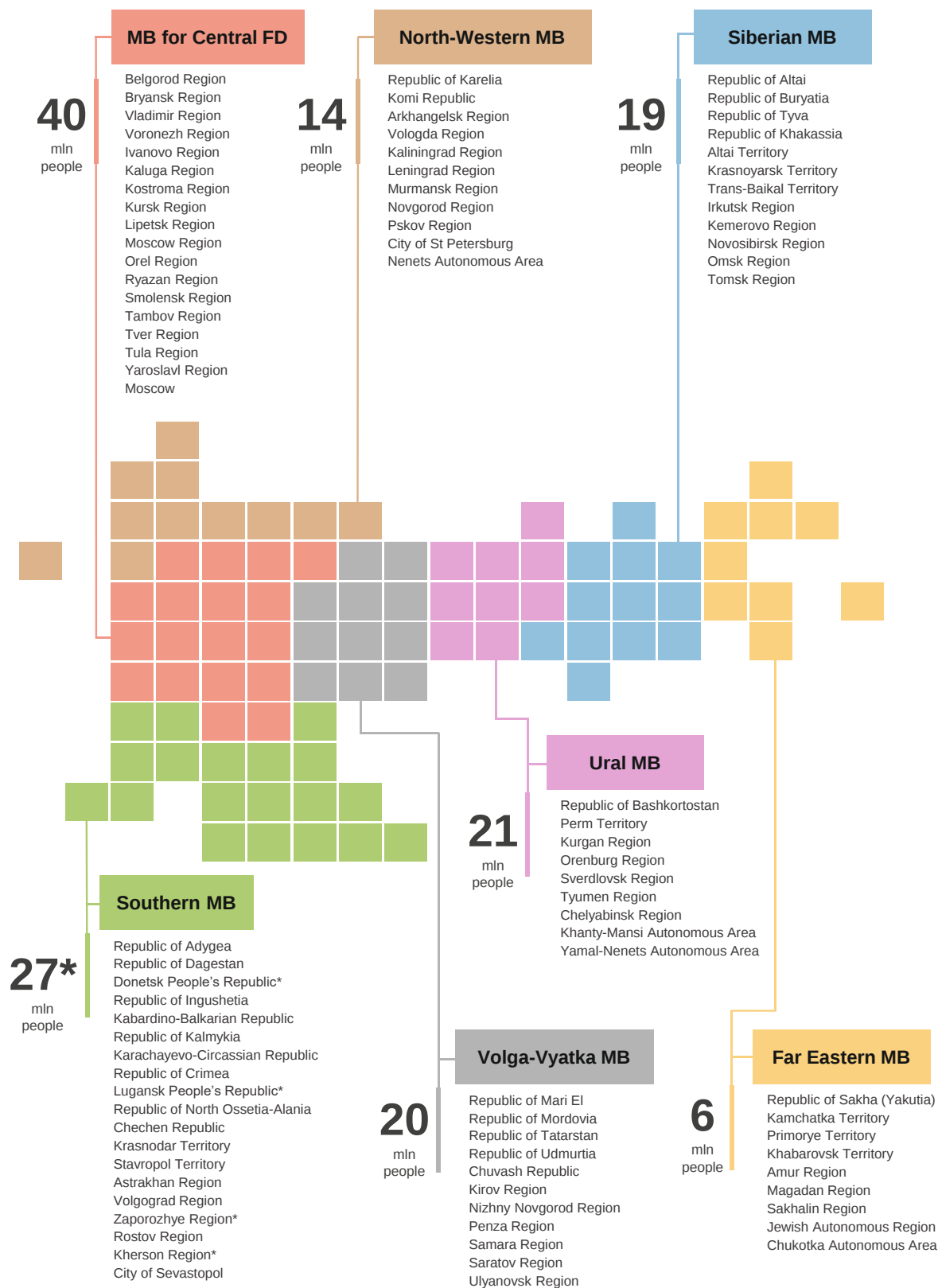
This issue was compiled by the Far Eastern Main Branch of the Central Bank of the Russian Federation.

Please send your comments and suggestions to *oleninaea@cbr.ru*,
mogilatan@cbr.ru, *andreevav@cbr.ru*, *danilovail@cbr.ru*.

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Bldg V, 12 Neglinnaya Street, Moscow, 107016
Bank of Russia website: www.cbr.ru

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* Official statistics on the main social and economic indicators of the constituent territories of the Russian Federation do not include statistics on the Donetsk People's Republic, the Lugansk People's Republic, the Zaporozhye Region, and the Kherson Region.

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WHAT IS THE REPORT 'REGIONAL ECONOMY: COMMENTARIES BY BANK OF RUSSIA MAIN BRANCHES'?

The report 'Regional Economy: Commentaries by Bank of Russia Main Branches' (hereinafter, the Report) reviews the current economic situation in the seven Russian macroregions, the boundaries of which correspond to the regions of operation of the Main Branches of the Central Bank of the Russian Federation (hereinafter, the Bank of Russia MBs). The content of the Report is prepared by the specialists of the Bank of Russia MBs.

The feature of this Report is that it relies on qualitative analysis methods. Such analysis is based on the most comprehensive scope of economic information available regionally, including non-financial companies' surveys and experts' opinions. This approach makes it possible to combine official statistics with estimates by businesses, analysts, and industry associations and to identify trends emerging in regions.



HOW DO WE COLLECT INFORMATION?

An important source of information for the Report is the monitoring of nearly 15,000 non-financial companies¹ carried out by the Bank of Russia MBs. It provides high-frequency data on the development of industries in all Russian regions. These data are combined with information received by the Bank of Russia MBs, including following various events with the engagement of regional executive authorities, businesses, industrial unions, and entrepreneurs' associations. Along with this descriptive information, we also use figures, including official statistics. All data are verified for accuracy and consistency.



WHAT IS THE PURPOSE OF THE REPORT?

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

¹ In August 2025, we surveyed 12,030 companies.

RUSSIAN FEDERATION

Growth in economic activity slowed down in July–August. However, its dynamics varied significantly across individual industries, as before. Labour shortages became less acute. Contrastingly, growth in consumer activity slightly sped up, in part due to a rise in the tourist traffic to individual regions. Current price growth, excluding the indexation of utility rates, decelerated. Household inflation expectations and business price expectations went up. Monetary conditions remained tight, regardless of a slight decrease in interest rates in the economy.

Growth in economic activity slowed down in most macroregions in July–August. However, the situation varied across sectors. Cooling demand in the construction market caused a decline in the output of construction materials in the North-West, the Urals, and Siberia. Oil refineries in the Urals restored capacity utilisation rates after completing repairs. A number of carmakers in the Volga Region revised their production targets downwards to reduce the gap between demand and supply in the market. Cargo traffic at Southern seaports went down, due to a decrease in the shipment of petroleum products and grains. Contrastingly, a notable rise in the tourist traffic in Central Russia and in the Far East encouraged the development of the tourist infrastructure. North-Western producers of non-ferrous metals expanded output. Metal processing enterprises in the Urals increased output, including as part of public procurement. Siberian packaging manufacturers also ramped up output, including for online trade. Cargo traffic at Far Eastern seaports hit the record highs of May, primarily owing to a rise in coal transshipment.

Growth in consumer activity slightly sped up in most Russian regions in July–August. Many regions reported a rise in car sales, owing to a decline in car loan rates and the release of pent-up demand. Demand for services and public catering remained strong, in part because of the increased tourist traffic in individual regions (see the Box *‘Industry focus. Commercial services and public catering’*). Real wages continued to increase extensively, and unemployment remained at its record low. However, individual regions reported a gradual easing in the labour market. Labour shortages became less acute in the Urals, the Volga Region, and the South.

Seasonally adjusted monthly growth in consumer prices (SA) accelerated in July, driven by the increase in the utility rates by more than 4%. Excluding the said rates, current price growth slowed down, primarily on account of volatile components (vegetables, fruit, and passenger transport). Household inflation expectations and business price expectations went up in August. Manufacturers reported a persistent rise in costs. However, cooling aggregate demand registered in the past months limited their pass-through to prices (see the Box *‘Producer prices and price expectations’*). This also moderated companies’ investment activity (see the Box *‘Investment activity’*).

Corporate and mortgage lending slightly rebounded in July vs June. Although loan rates edged down, banks and businesses assessed lending conditions as tight. The inflow of household funds into banks continued, in part due to depositors seeking to lock in returns amid declining deposit rates.

KEY TRENDS IN RUSSIAN REGIONS

MAIN BRANCH FOR THE CENTRAL FEDERAL DISTRICT. Growth in industrial production substantially exceeded the Russian average, due to active expansion of the chemical industry and clothing output in the Moscow metropolitan area. The implementation of infrastructure projects supported the elevated growth rates of the macroregion's construction sector. The number of tourists increased in Central Russia, driven by stronger demand for domestic travel and the infrastructure development.

NORTH-WESTERN MAIN BRANCH. The macroregion's metal manufacturers reported higher output, compared to the Russian average, in part due to stronger demand for non-ferrous metals and the expansion of production capacities. The rise in investment substantially outstripped the countrywide rate, owing to the implementation of large-scale projects, including in the chemical industry. Companies' price expectations remained higher than the Russian average, largely on account of trade and industrial production.

VOLGA-VYATKA MAIN BRANCH. Companies' staffing levels went up as compared with early 2025, but remained lower than the Russian average. The decline in car output was more pronounced than across the country overall. Large carmakers switched to reduced working hours and adjusted their production targets. Business price expectations were above the Russian average, on the back of the estimates of logistics, wholesale trade, and mining and quarrying companies.

SOUTHERN MAIN BRANCH. Unlike Russia overall, the pace of the harvesting campaign in the macroregion was lower than last year. The forecast for the harvest of grains and oil crops was revised downwards, due to bad weather. In July, cargo traffic at Southern seaports went down in annualised terms, due to a drop in the transshipment of grains and petroleum products. Tourist traffic was lower than last year, owing to restrictions at certain beach resorts. Construction volumes decreased more notably than across Russia overall, on account of a more conspicuous drop in demand for housing.

URAL MAIN BRANCH. Consumer activity growth in the macroregion exceeded the nationwide rate, in particular owing to a more substantial rise in car sales. Unlike Russia overall, construction works went down and wood processing enterprises reduced output as a result of the contraction of domestic and external demand. Oil refineries in the Urals ramped up output after completing repairs.

SIBERIAN MAIN BRANCH. Industrial output decreased in the macroregion, unlike Russia overall. Coal and metal producers reduced output, owing to persistent restrictions in the domestic and external markets. Manufacturers of construction materials cut output, due to weaker demand from construction companies and a drop in the launch of new infrastructure projects.

FAR EASTERN MAIN BRANCH. Industrial production was growing more slowly in the macroregion than across Russia overall, in part owing to repairs at an oil and gas enterprise. Growth in tourist traffic in the macroregion exceeded the countrywide level, driven by the expansion of discounted flight programmes and the development of the tourist infrastructure. Cargo traffic at Far Eastern seaports went up in annualised terms in July, fuelled by more notable growth in coal transshipment, while the countrywide rate was close to zero.

CORE ECONOMIC INDICATORS

		Date	Russia	MB for Central FD	North-Western MB	Volga-Vyatka MB	Southern MB	Ural MB	Siberian MB	Far Eastern MB
MBs' percentage in inflation	%	2025	100	33	11	12	15	14	10	5
Inflation	% YoY	Jul25	8.8	8.1	9.2	9.6	8.9	9.1	9.2	8.7
Core inflation	% YoY	Jul25	8.5	7.4	9.0	9.9	8.8	8.9	9.3	7.7
Industrial production	3MMA, % YoY	Jul25	1.3	4.2	-1.1	5.7	-2.2	-1.4	-1.3	0.3
Fixed capital investment	Cumulative, % YoY	2025 Q2	4.3	6.3	17.0	7.6	5.2	-8.6	9.6	3.8
Construction	3MMA, % YoY	Jul25	1.2	5.2	-0.7	-3.0	-3.2	-6.3	3.8	-4.3
Housing commissioning	3MMA, % YoY	Jul25	-17.9	-16.7	-11.5	-8.5	-26.4	-15	-22.9	-14.6
Retail	3MMA, % YoY	Jul25	1.7	-0.7	1.1	2.3	3.5	2.1	3.7	4.2
Commercial services	3MMA, % YoY	Jul25	2.1	0.9	3.5	4.4	2.4	5.6	0.7	-2.1
Real wages	3MMA, % YoY	Jun25	4.6	5.9	3.4	6.2	1.5	3.8	3.0	3.7
Real disposable income	% YoY	2025 Q2	5.6	8.1	5.3	5.9	6.2	3.8	4.1	6.9
Unemployment	% SA	Jul25	2.2	1.4	2.0	1.6	4.1	1.6	2.8	2.0
Outstanding consumer loans ²	% YoY	Jul25	-9.2	-9.8	-9.8	-7.9	-6.1	-8.6	-11.3	-12.1
Outstanding mortgage loans	% YoY	Jul25	1.4	2.6	0.3	-0.3	3.9	0.6	-0.9	2.3
Funds in escrow accounts	% YoY	Jul25	1.3	5.2	5.2	-5.3	-9.7	-6.7	-4.7	14.1
Non-financial organisations' outstanding bank loans	% YoY	Jun25	11.9	12.2	8.5	18.3	16.7	14.5	7.6	5.0
• Large borrowers	% YoY	Jun25	12.6	12.1	10.1	30.5	17.0	14.9	9.1	5.1
• SMEs	% YoY	Jun25	9.1	12.5	-0.6	-4.8	16.3	13.0	3.1	4.5
Companies' price expectations ³	Balance of responses, p, SA	Aug25	19.0	21.9	24.4	21.9	17.6	11.2	16.6	14.4
Business Climate Index	p, SA	Aug25	2.1	0.7	-0.03	4.2	5.9	-8.0	3.4	7.0
• Current estimates	p, SA	Aug25	-5.1	-8.1	-8.7	-2.1	-1.5	-14	-6.5	3.4
• Expectations	p, SA	Aug25	9.6	9.8	9.0	10.7	13.6	-2.3	13.7	10.7

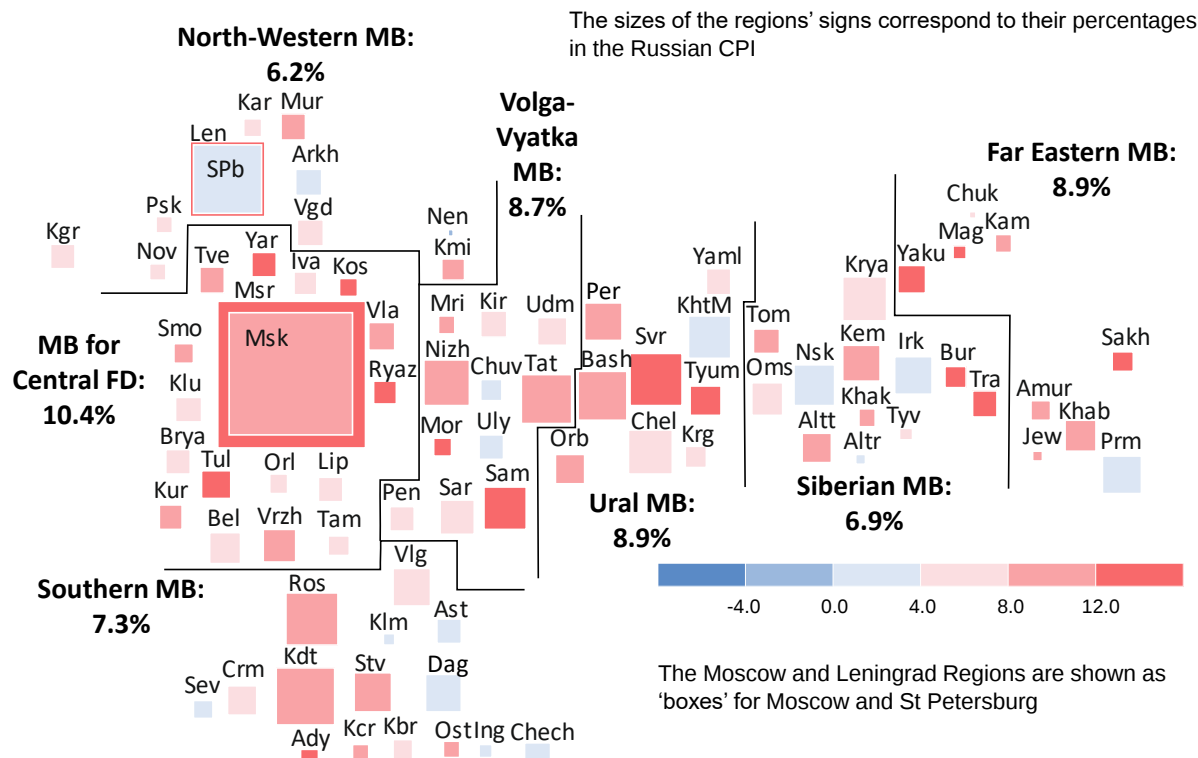
Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

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

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

INFLATION IN RUSSIAN REGIONS

Price growth in July 2025, % MoM (SAAR)



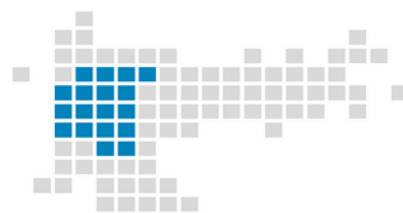
Note. The lines on the map divide the regions of operation of the Bank of Russia MBs. SAAR – seasonally adjusted annualised rate.

Official statistics on the main social and economic indicators of the constituent territories of the Russian Federation do not include statistics on the Donetsk People's Republic, the Lugansk People's Republic, the Zaporozhye Region, and the Kherson Region.

Source: Rosstat.

Ady	Republic of Adygea	Kos	Kostroma Region	Sam	Samara Region
Altt	Altai Territory	Krya	Krasnoyarsk Territory	Sar	Saratov Region
Altr	Republic of Altai	Kdt	Krasnodar Territory	Sakh	Sakhalin Region
Amur	Amur Region	Crm	Republic of Crimea	Svr	Sverdlovsk Region
Arkh	Arkhangelsk Region (excl. Autonomous Area)	Kur	Kursk Region	Sev	City of Sevastopol
Ast	Astrakhan Region	Krg	Kurgan Region	Smo	Smolensk Region
Bash	Republic of Bashkortostan	Kcr	Karachayevo-Circassian Republic	SPb	City of St Petersburg
Bel	Belgorod Region	Len	Leningrad Region	Stv	Stavropol Territory
Brya	Bryansk Region	Lip	Lipetsk Region	Tam	Tambov Region
Bur	Republic of Buryatia	Mag	Magadan Region	Tat	Republic of Tatarstan
Vla	Vladimir Region	Mri	Republic of Mari El	Tve	Tver Region
Vlg	Volgograd Region	Msr	Moscow Region	Tom	Tomsk Region
Vgd	Vologda Region	Mor	Republic of Mordovia	Tul	Tula Region
Vrzh	Voronezh Region	Msk	Moscow	Tyv	Republic of Tyva
Dag	Republic of Dagestan	Mur	Murmansk Region	Tyum	Tyumen Region (excl. Autonomous Areas)
Jew	Jewish Autonomous Region	Nen	Nenets Autonomous Area	Udm	Republic of Udmurtia
Tra	Trans-Baikal Territory	Nizh	Nizhny Novgorod Region	Uly	Ulyanovsk Region
Iva	Ivanovo Region	Nov	Novgorod Region	Khab	Khbarovsk Territory
Ing	Republic of Ingushetia	Nsk	Novosibirsk Region	Khak	Republic of Khakassia
Irk	Irkutsk Region	Oms	Omsk Region	KhtM	Khanty-Mansi Autonomous Area – Yugra
Klm	Republic of Kalmykia	Orb	Orenburg Region	Chel	Chelyabinsk Region
Klu	Kaluga Region	Orl	Orel Region	Chech	Chechen Republic
Kam	Kamchatka Territory	Ost	Republic of North Ossetia – Alania	Chuv	Chuvash Republic
Kar	Republic of Karelia	Pen	Penza Region	Chuk	Chukotka Autonomous Area
Kbr	Kabardino-Balkarian Republic	Per	Perm Territory	Yaku	Republic of Sakha (Yakutia)
Kem	Kemerovo Region – Kuzbass	Prm	Primorye Territory	Yaml	Yamal-Nenets Autonomous Area
Kir	Kirov Region	Psk	Pskov Region	Yar	Yaroslavl Region
Kgr	Kaliningrad Region	Ros	Rostov Region		
Kmi	Komi Republic	Ryaz	Ryazan Region		

BANK OF RUSSIA MAIN BRANCH FOR THE CENTRAL FEDERAL DISTRICT



Consumer demand edged up in the macroregion in July–August after declining in June. Price growth sped up in July, fuelled by the indexation of utility rates and a rise in prices for tourism services and smartphones but started to decelerate in August. The output of greenhouse vegetables and berries was expanding and the gardening and storage techniques were enhanced. Rising demand for domestic travel and the expanding tourist infrastructure boosted tourist traffic in the macroregion.

CONSUMPTION AND INCOMES. According to high-frequency data, consumer activity in Central Russia was growing moderately in July–August, driven by demand for certain non-food durables after declining in June. Demand for cars went up, due to the expansion of government support measures. In July, hot weather boosted demand for fans, air conditioners, and frame pools more notably than usual. However, furniture sales went down. A number of regional furniture manufacturers offered discounts and special prices. Higher rental costs and lower traffic made offline stores search for new methods to attract buyers, for example, by paying more attention to the atmosphere and design of the premises and offering various activities for families and children. The online segment continued to expand, most notably in the Moscow metropolitan area, boosted by the robotisation of order packing and delivery. Short-term demand expectations of trade companies went up in August.

PRICES. In July, annual inflation in the macroregion, which remained below the Russian average, continued to slow down. Nevertheless, current price growth (SA), excluding the indexation of utility rates, sped up, primarily due to the rise in prices for tourism services and smartphones, but remained below 4%. Smartphones became more expensive, owing to price volatility caused by retail chains' marketing policy. Over the past three months, average price growth (SA) in the macroregion exceeded the nationwide rate, fuelled primarily by prices for tourism and cultural services, pushed up by stronger demand. According to Rosstat weekly data, the rise in prices (SA) decelerated in August. Business price expectations were increasing less notably in August than in the previous month but remained above the Russian average. The key reason for this was the rise in costs across all basic industries. The highest price expectations were recorded in retail, as before.

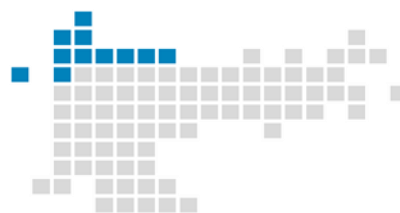
MONETARY CONDITIONS AND BANKING SECTOR. As of early July, annual growth of the corporate loan portfolio continued to decelerate. According to the monitoring of businesses, the estimates of lending conditions became less negative in July–August, than in June. Retail lending went up in July (SA). The mortgage portfolio was expanding at the rate recorded last month (SA). The Family Mortgage programme accounted for the majority of mortgages issued. Mortgages for the construction of single-family homes went up in July. Outstanding consumer loans were declining more moderately (SA). Demand for car loans (MoM) was supported by the decrease in interest rates and government subsidised programmes. In July, household funds in time deposits increased (SA) more notably than in June, as depositors were seeking to lock in returns amid declining interest rates.

LOGISTICS. Experts reported a rebound in demand for road freight transportation. In 2025 Q2, the number of applications went up vs 2025 Q1 and 2024 Q2. Car fleet renewal was contained by a relatively high cost of leasing and lending. The amount of cargo handled by the Moscow Railway in 2025 Q2 increased quarter on quarter (QoQ). However, operators reported higher costs, due to a rise in the rates for the transportation of empty carriages and higher prices for repairs and spare parts. In 2025 Q2, growth in the turnover of the macroregion's warehouse operators notably exceeded the Russian average as compared with 2025 Q1. Rental prices stabilised in 2025 Q1 and started to decrease in 2025 Q2, including in the Moscow metropolitan area, amid cooling demand for warehouses. The key market players were focused on optimising the use of the current areas. Experts forecast that high demand for employees of all levels would persist, especially in the regions where transportation and logistics hubs are being constructed.

FRUIT AND VEGETABLES PRODUCTION. In 2025, gross output of potatoes and open-field vegetables in Central Russia was forecast to be at the 2024 level. There were plans to gather more apples of better quality than last year. The output of greenhouse vegetables and berries was growing in the macroregion, largely due to using modern gardening and storage technologies. The Tula Region was implementing a project to develop seed potato production to supply fast food companies with Russian potatoes. The Voronezh Region launched the first Russian major fruit storage facility applying the innovative dynamic controlled atmosphere (DCA) technology to store apples. A large greenhouse in the Lipetsk Region started using LED light fixtures to significantly cut electric power costs. Due to the new heavy yield of vegetables, prices for them dropped substantially below the seasonal average. However, the rise in the utility rates may put pressure on producer costs. The above applies specifically to producers of greenhouse vegetables.

TOURISM AND HOSPITALITY INDUSTRY. The number of tourists visiting Central Russia went up, boosted by stronger demand for domestic travel. This encouraged infrastructure development in the macroregion where new hotels, water parks, and entertainment centres were opened. Thus, the number of guests in January–June 2025 exceeded the comparable level of the previous year. Tourist traffic to a number of destinations increased by more than a third (the Kostroma, Tula, and Vladimir Regions). The Moscow Region accounted for half of the rise in Russia's tourist traffic. The expansion of travel routes and recreation venues boosted car travel in the macroregion more notably than elsewhere in Russia. There was an increase in demand for river cruises along routes including Yaroslavl, Moscow, Murom, Tver, as travel agencies were offering new routes and new liners were launched. Tourists were switching to health resorts in the nearest regions. Health tourism was developing, especially inside and near large cities, and the relevant infrastructure was being established to provide multiple options – from spa clubs and gyms to retreat hotels and healthcare programmes.

BANK OF RUSSIA NORTH-WESTERN MAIN BRANCH



Consumer activity in the North-West edged up overall in July–August vs June. The output of non-ferrous metals went up, whereas that of ferrous metals was down, owing to the cooling in domestic and external demand. The macroregion continued to implement projects to boost aquaculture output: in particular, fish feed manufacturers were expanding production capacities. The output of construction materials edged down amid a slight decline in construction.

CONSUMPTION AND INCOMES. According to high-frequency data, consumer activity in the North-West edged up overall in July–August vs June when it did not change. The rise in demand was recorded in a number of non-food segments and tourism-related services, in particular. For example, new car sales in the macroregion increased by almost a third in July as compared with June. According to household survey results, the share of respondents who made large purchases in July and August exceeded the June figure. In the Kaliningrad Region, the number of hotel bookings for August went up by 30% year in year (YoY), as reported by an online service. The Novgorod open air museum accepted its one millionth visitor in 2025 a month earlier than in 2024. However, demand dropped in certain segments of the consumer market. For example, in July–August, the traffic at St Petersburg cinemas and shopping malls went down YoY. Short-term demand expectations of retailers worsened in August, whereas services companies were more optimistic about future demand than in July.

PRICES. Annual inflation in the macroregion slowed down in July but remained above the Russian average. Current price growth, excluding the indexation of utility rates, decreased (SA), largely due to cheaper passenger transportation services and fruit and vegetables. As prices for the said goods and services dropped in the macroregion more notably than elsewhere in Russia, average price growth (SA) in the North-West was slightly below the Russian average over the past three months. Companies' short-term price expectations went up in August and remained above the average countrywide level, primarily on account of trade companies (including retailers) and industrial enterprises.

MONETARY CONDITIONS AND BANKING SECTOR. In July–August, loan rates were declining. According to the monitoring of enterprises, companies' estimates of lending conditions became less negative in August over the past two years. As of early July, the corporate loan portfolio slightly expanded (SA), mainly due to loans to major chemical companies, including as part of financing long-term investment projects. However, demand for corporate loans remained modest overall amid tight lending conditions. In July, the retail loan portfolio continued to shrink (SA). Consumer lending declined more notably, while outstanding mortgages barely changed (SA). Nevertheless, demand for government subsidised mortgage programmes went up. Deposit rates decreased but remained attractive, as reported by banks. Household funds with banks in June and July continued to grow fast (SA).

METALLURGY. The output of metal products in the North-West increased in 2025 Q2 as compared with 2025 Q1 (SA) on account of non-ferrous metals. For example, a metal producer from the

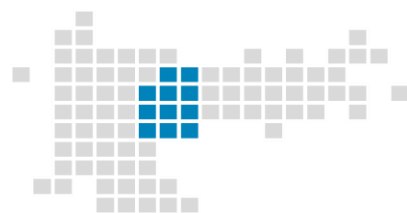
Murmansk Region ramped up the output of nickel, due to better supplies of raw materials and stronger demand for this metal in the Asian market. Moreover, the enterprise completed the construction of a cobalt processing facility to triple the company's cobalt production capacities. Contrastingly, producers of ferrous metals reduced output. This was associated with cooling domestic demand and worsening external market conditions. However, the macroregion's metal producers continued to invest in production development to make it more effective and ramp up the output of value-added products, among other things. In the Vologda Region, a metallurgical holding company completed upgrading the main steelmaking equipment and started the commissioning of a mill and a furnace to manufacture high-tech products for construction and machine building. A metallurgical plant based in St Petersburg launched a new facility to produce high-quality steel to expand the product range and increase the enterprise's annual output 3.5 times.

FISHING AND AQUACULTURE PRODUCTION. By early August 2025, fish output in the North-West was below the 2024 level. This was mostly due to a decline in cod fishing caused by reductions in the respective quota amid decreased harvestable stocks. Therefore, certain Murmansk-based companies ended the fishing season ahead of schedule. However, the implementation of investment projects continued in the macroregion to boost aquaculture production. A major fish feed plant was launched in Karelia. It can help meet demand not only from local fish farms but also from those located in the neighbouring regions. Moreover, a large fish farm from the Novgorod Region continued the construction of a fish feed plant.

CONSTRUCTION MATERIALS. The output of construction materials edged down (SA) in the macroregion in 2025 Q2 as compared with the previous quarter. This was mainly due to a slight cooling in the construction market. Thus, an enterprise from the Novgorod Region reported a drop in the output of fire-resistant materials, due a decline in demand for them from developers and metallurgical plants. Regional manufacturers of concrete products also reported fewer orders. Therefore, growth in prices for construction materials slowed down vs 2025 Q1 in the macroregion's consumer market. Nevertheless, the implementation of certain investment projects and the commissioning of new facilities continued in construction. A plant to manufacture the stone to be used in road construction was launched in Karelia in summer notably ahead of schedule. A producer of papercrete blocks from the Komi Republic opened a new production site equipped with domestic tools to triple output. The construction of the first Russian robotised plant commenced in the Novgorod Region to manufacture reinforced concrete slabs for high-speed rails.

BANK OF RUSSIA VOLGA-VYATKA

MAIN BRANCH



Consumption growth slightly sped up, with car sales increasing, in particular. The labour market was loosening overall, but dynamics remained mixed across industries. The output of both cars and trucks was contracting. Continuing high demand encouraged livestock and food producers to implement investment projects.

CONSUMPTION AND INCOMES. Consumption growth rates slightly increased in July–August, as compared with the 2025 Q2 averages (SA). According to the Bank of Russia's monitoring, retailers' estimates of the current demand in August were above the July level, but their short-term demand expectations edged down. The car market contributed to the rise in consumption in July, as new car sales remained notably above the figures of the previous months. Car dealers reported a decline in inventories. Demand for used cars was also up. Dealers believed that the increase in sales was caused by the easing of car lending conditions and the release of pent-up demand. Demand for home improvement goods continued to shrink, due to the cooling in the housing market. According to businesses, the tourist traffic was increasing, owing to the rise in the number of new travel routes and cultural and sports events. Demand for hotel services continued to grow.

PRICES. Annual inflation in the macroregion was decreasing for the fifth consecutive month and was 9.59% in July. However, it remained above the Russian average. Current price growth (SA), excluding the indexation of utility rates, continued to slow down, largely on account of the dynamics of fruit and vegetable prices. The three-month average inflation rate (SA) was slightly higher in the macroregion than across Russia as a whole. This was mainly associated with a more notable rise in non-food prices, including clothing prices. In August, short-term price expectations of the macroregion's businesses went up (SA), especially those of logistics, wholesale, and mining and quarrying companies. The level of price expectations across the macroregion overall was above the Russian average.

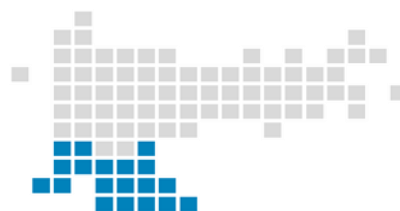
LABOUR MARKET. Over the past few months, indicators of labour demand continued to decline. According to the monitoring, companies' staffing levels went up and labour shortages became less significant. However, the situation in the labour market varied, as certain companies continued to experience labour shortages, although the issue became less acute overall. In particular, the above was reported by enterprises working under government contracts as demand for their products was increasing. For example, a large manufacturing company from the Republic of Udmurtia complained about a more pronounced lack of qualified personnel after it raised its production targets for 2025 by 30%. Contrastingly, major manufacturers of agricultural equipment from the Chuvash Republic reported that their demand for employees was met and that, starting from early August, they were switching to a four-day workweek as orders went down and costs went up. Real wages remained below the 2024 H2 level. According to Bank of Russia surveys, companies' expectations concerning pay rises and the increase in the headcount declined in June vs early 2025. Certain enterprises intended to raise wages only for certain specialists to retain them.

MONETARY CONDITIONS AND BANKING SECTOR. Monthly growth of the corporate loan portfolio substantially accelerated (SA) by the beginning of July, mainly due to large loans taken out by major local mining and quarrying enterprises. According to recent assessments, by the beginning of August, growth in corporate lending slowed down again to the moderate rates of April–May. The retail loan portfolio continued to contract in July (SA). Regardless of the decrease in interest rates and a rebound in the value of new loans, outstanding loans went down both in the consumer and mortgage segments. Household funds with banks were increasing fast in July even amid declining deposit rates (SA). Most credit institutions reported high growth rates of household funds in August, although a number of banks recorded lower propensity to save.

AUTOMOBILE INDUSTRY. In July–August, business activity in the manufacture of both cars and trucks continued to decrease in the macroregion. The persistent surplus in the market made regional manufacturers adjust their working hours, the range of models, and production targets. Several major auto groups switched to a four-day workweek to save jobs and reduce the gap between demand and supply in the market. In such conditions, companies' demand and output expectations in August remained close to the minimum level since 2022. However, auto groups continued to take measures to increase labour productivity. For example, a major truck manufacturer substantially reduced the assembly time after streamlining the supply of components to the assembly line. Another enterprise was able to significantly ramp up the output of certain car types and improve product quality by launching a robotic system.

CATTLE BREEDING AND FOOD INDUSTRY. The output of livestock products was characterised by mixed dynamics by type of products in July. Egg output edged down (SA) from relatively high levels of the previous months, in part owing to market saturation, as reported by businesses. Consequently, egg prices continued to decrease. Cattle and poultry output was growing faster overall. Production rates of food companies were above the 2025 Q2 averages. According to the Bank of Russia's monitoring, food producers improved the current output assessments in August. Persistent labour shortages and rising costs prevented many companies from expanding output. For example, confectioners complained about higher prices for cacao beans, which made some of them increase output prices and reduce output volumes. However, many companies reported continuing strong demand for their products, which boosted their investment activity, among other things. For example, a dairy producer from the Penza Region launched a project to establish and upgrade three production lines in July. Previously, an enterprise from the Samara Region launched a new facility to produce plant-based drinks and another local business started the construction of a new livestock breeding complex.

BANK OF RUSSIA SOUTHERN MAIN BRANCH



Consumption growth slightly sped up in the macroregion in July–August vs June. The tourist traffic was declining overall, owing to restrictions at beaches in certain parts of the Krasnodar Territory. Price growth rates continued to decrease, while business price expectations were rising. The increase in corporate lending accelerated, in part fuelled by high demand from agricultural, industrial, and trade companies. Agricultural enterprises continued the harvesting campaign. The harvest of most crops was expected to be lower than in 2024 because of bad weather in summer. Cargo traffic at Southern seaports went down as exports decreased.

CONSUMPTION AND INCOMES. According to high-frequency data, consumption growth slightly sped up in the macroregion in July–August vs June. Food retailers reported a rebound in demand. Households were spending more on certain non-food goods, i.e. spare parts for cars and household appliances. Trade companies reported a rise in sales of construction materials and home improvement goods. As for services, regional telecom companies registered elevated demand for wired Internet. However, the trends in public catering slightly moderated consumer activity amid a decline in tourist traffic. Local businesses continued to experience labour shortages. Nevertheless, more companies were raising wages only for key employees as large-scale pay rises were no longer affordable. Employers were optimising employment schemes by introducing overlapping work phases.

PRICES. Annual inflation slowed down in the macroregion in July but remained above the Russian average. Monthly price growth (SA), excluding the indexation of utility rates, decelerated vs June and its average three-month rate was below the countrywide level. More moderate current inflation in the South stemmed from the dynamics of prices for health resort services, which were largely influenced by the decline in tourist traffic in the Krasnodar Territory. Local health resorts slightly decreased prices to support demand for their services. Companies' short-term price expectations (SA) were up in August in almost all industries (except for agriculture and industrial production) amid better demand expectations. However, price expectations of businesses in most sectors, including retailers, were below the Russian average.

MONETARY CONDITIONS AND BANKING SECTOR. The corporate loan portfolio expanded (SA) as of early July vs June, on the back of lending to a major trade company and agricultural enterprises in the Krasnodar Territory as well as industrial companies in the Rostov Region. Business demand for loans in July–August remained moderate, at the levels recorded in the previous months, as reported by banks. The consumer loan portfolio (SA) edged up in July, as banks slightly eased their price lending conditions. Contrastingly, the mortgage portfolio contracted (SA), mainly due to the decelerating growth of lending under government subsidised programmes. Although deposit rates went down, households continued to deposit their funds in July.

CROP PRODUCTION. The macroregion continued the harvesting campaign, with the gross harvest falling slightly below the 2024 figures. The yields of most crops were adversely affected by an extended drought. Regional ministries of agriculture expected the harvest of grains, oil crops, and

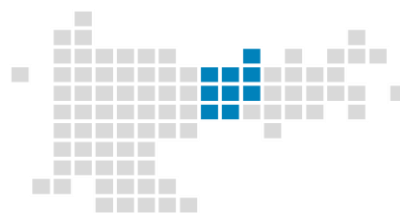
vegetables to decrease as compared with 2024. However, they forecast the harvest of sugar beet and potatoes to exceed the 2024 level. The share of food wheat in the gross harvest and the sugar content of sugar beet were expected to slightly increase. Agricultural enterprises from the Republic of Dagestan were planting Krasnodar-bred cabbage varieties, resistant to low temperatures. Such cabbages should be supplied to stores by mid-autumn to maintain the necessary level of supply after the stocks of the summer harvest are exhausted. Southern agricultural companies started to purchase seeds, fertilisers, and fuels to prepare for the autumn field work. Overall, large grain growing regions had plans to preserve the areas used in 2025 to plant crops in 2026.

LOGISTICS. Cargo traffic at Southern seaports went down in July 2025 YoY. In the Azov and Black Sea basin, this was associated with a drop in grain transshipment amid decreasing domestic inventories and cooling demand from importers as well as lower shipments of petroleum products resulting from repairs at oil refineries. Caspian ports reported a drop in the supplies of grains and other bulk and general cargo. Individual Southern regions registered a rise in railway freight transportation. In particular, the Krasnodar Territory, the Kabardino-Balkarian Republic, and the Republic of North Ossetia–Alania reported an increase in the shipment of cement and sugar, construction materials, and industrial raw materials, respectively. The implementation of projects to enhance the International North–South Transport Corridor continued. For example, a number of transportation facilities were being constructed in the Volgograd Region and there were plans to launch the construction of a bypass in the Republic of Dagestan by the end of 2025. Simultaneously, the logistics infrastructure was being developed in the macroregion. For example, a sorting centre was opened in the Rostov Region to facilitate the delivery of goods from federal marketplaces to the neighbouring regions.

TOURISM. Tourist traffic went down overall in July–August, primarily owing to restrictions at beaches in the Krasnodar Territory. However, trips to other Southern regions and parts of North Caucasus remained in demand. This was largely associated with the infrastructure development in the macroregion overall and at year-round resorts, in particular. For example, a large resort based in the Karachayevo-Circassian Republic continued to increase room availability. The first water park with nitrogen-rich thermal water with therapeutic properties was opened in the Kabardino-Balkarian Republic. Owing to the popularity of health tourism, tourist traffic at Caucasian Mineral Water resorts remained at its maximum levels.

BANK OF RUSSIA URAL

MAIN BRANCH



Growth in consumer activity slightly accelerated in July–August vs 2025 Q2. In July, prices were rising faster, largely due to the indexation of utility rates, whereas excluding the indexation their growth slowed down. The labour market loosened, but offered wages went up. The cooling in the business activity in manufacturing and construction became more pronounced vs 2025 Q2. Demand for metal processing products was growing more slowly. Oil refineries ramped up output after completing scheduled repairs and technical maintenance of their facilities in 2025 Q2. Wood processing enterprises were cutting output of products for construction and furniture manufacturing and expanding the output of containers and packaging.

CONSUMPTION AND INCOMES. Growth in consumer activity slightly accelerated in the Urals in July–August. The decline in prices for cars manufactured in the previous years as well as various special prices and discounts offered by dealers to overcome a glut of inventory substantially boosted sales in July. However, the number of cars sold per month remained below the last year's figures. Food sales edged up, despite a decline in the average ticket size reported by retailers. The latter noted that the rebound in demand for seasonal goods in August was slightly more pronounced than a year ago. Demand for services remained high, with certain personal services as well as transportation, communication, and cultural services staying the most popular. According to the July data, the labour market slightly loosened overall, as the reported demand for employees became less acute and companies' expectations regarding future changes in the headcount decreased. However, electronic recruitment platforms registered a notable increase in offered wages for workers in industrial production, construction, logistics and transportation.

PRICES. Annual inflation went down in the Urals in July. Monthly price growth (SA) sped up, like across Russia overall, mainly owing to the indexation of utility rates but decelerated excluding the said indexation. The macroregion's three-month average inflation rate exceeded the nationwide average, due to price dynamics in the services sector. In particular, transportation services became more expensive and prices for education services and utility rates increased more notably. Prices for confectionery, medical goods, and petrol were rising faster than those for other goods. Companies' short-term price expectations (SA) went down in mining and quarrying, trade, and services but were up in manufacturing, transportation and storage, as well as in construction.

MONETARY CONDITIONS AND BANKING SECTOR. In July, banks continued to reduce loan rates, while maintaining tight lending conditions. Outstanding household consumer loans decreased (SA). There was a rise in demand for mortgages, primarily government subsidised ones. As of early July, the corporate loan portfolio slightly expanded (SA). Individual major companies were borrowing funds to implement large investment projects that had been launched previously. However, most enterprises were taking out short-term loans to finance their current activities. Household funds with banks continued to increase in July (SA). Deposit rates went down but remained attractive.

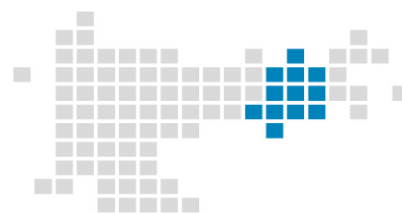
METAL PROCESSING. In May–July, the overall sectoral output went up, primarily on account of the rise in demand for industrial and transportation equipment, including from the government. A large metallurgical plant from the Chelyabinsk Region launched the production of rolling mills. A manufacturer of components for rolling stock from the Tyumen Region reported a rise in output. An Orenburg-based manufacturer of metal structures and a Tyumen-based manufacturer of metal products ramped up monthly output, due to higher labour productivity. A large machine builder from the Republic of Bashkortostan opened a casting facility. Contrastingly, certain manufacturers of trucks and construction machinery, oil production equipment, and certain consumer goods complained that their financial standing worsened, due to weaker demand. Given the above, their demand for processed metal and coated metal products dropped.

PETROLEUM PRODUCTS MANUFACTURE. In July, the output of petroleum products in the Urals rebounded to the level of early 2024. Some plants, including those in the Perm Territory, the Republic of Bashkortostan, and the Orenburg Region restored their output after scheduled repairs. Regional enterprises were implementing investment projects, primarily to make oil refining more effective and improve product quality. Some enterprises in the Urals temporarily reduced output in 2025 H1 to substitute equipment and install safety systems. Seasonal demand from agricultural companies and households in the Urals did not exceed multi-year averages. At present, petrol exports are temporarily banned as an additional measure to stabilise the domestic fuel market and maintain the balance of retail prices.

WOOD PROCESSING AND PULP AND PAPER INDUSTRY. In 2025 H1, wood processing enterprises in the Urals registered a slight overall decline in demand from the construction sector (including for the purposes of building single-family homes) as well as furniture and wood products manufacturers. Coupled with a drop in external demand triggered by sanctions, this caused a decrease in the output of plywood and board products. Wood processing enterprises reduced their investment activity, while searching for solutions to boost production efficiency. A plywood manufacturer built an additional warehouse in the Perm Territory to store fuel briquettes and production waste. However, demand for packaging materials (paper, cardboard, and wooden containers) continued to go up, boosting the output of these products in a number of regions and making manufacturers cut prices. In particular, a large Perm-based company launched an upgraded production line to make small cardboard boxes to meet demand from marketplaces. An enterprise from the Kurgan Region launched its third wood processing facility on the basis of an industrial park. It supplies its products to large regional industrial enterprises. In the Sverdlovsk Region, the output of paper and paper products increased more than four times in 2025 H1.

BANK OF RUSSIA SIBERIAN

MAIN BRANCH



In July–August, consumer activity in Siberia was growing at the rate registered in the previous three months. Business price expectations increased. Siberian coal producers and manufacturers of construction materials reduced output and sales as a result of a decline in orders. Contrastingly, packaging manufacturers were ramping up output to meet stable consumer demand supported by the expanding e-commerce market.

CONSUMPTION AND INCOMES. In July–August, consumption growth rates in Siberia barely changed as compared with the previous three months. Large Siberian retail chains reported moderate demand for food products and non-food goods. However, as compared with June, demand for cars slightly rebounded, fuelled by the easing of car lending conditions, government subsidised programmes (for young families), and special offers. Nevertheless, car inventories substantially exceeded the market demand, as before. According to individual travel agencies, people were increasingly cancelling their bookings, due to high air fares and accommodation prices. In the labour market, more companies were limiting pay rises, due to a drop in demand.

PRICES. Annual inflation slowed down in Siberia in July, remaining above the countrywide average. Monthly price growth excluding utility rates (SA) was down in the macroregion as compared with June. Three-month average inflation in Siberia was below the Russian average, owing to the changes in prices for certain categories of goods. Car prices in Siberia were decreasing more notably than across Russia overall. Local car dealers were offering special prices and discounts more actively to boost sales. Regional dairy producers as well as poultry farms expanded output, which moderated the rise in prices for cheese and eggs. Siberian companies' short-term price expectations went up but remained below the Russian average.

MONETARY CONDITIONS AND BANKING SECTOR. In bank lending, the easing of price conditions continued in July–August, whereas non-price conditions remained fairly tight. Banks maintained strict requirements for borrowers' financial standing. Demand for corporate loans edged up. Real-estate, rental, services, construction, and trade companies were taking out larger loans. Demand for retail loans, including car loans, slightly rebounded amid an insignificant drop in the rates and the expansion of the scope of government subsidised car lending programmes. Declining deposit rates did not have any significant effect on households' propensity to save. Household deposits continued to grow.

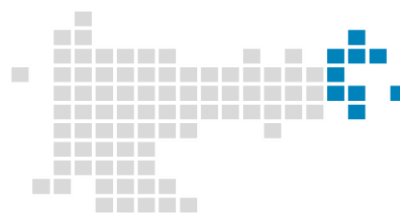
COAL PRODUCTION. In 2025 Q2, coal mining in Siberia went down by 4.4% in annualised terms and by 6.1% (SA) as compared with 2025 Q1, due to the fall in global coal prices and a stronger effect of sanctions. Coal mining in Siberia was additionally affected by weaker demand from Asia. According to high-frequency data from the Ministry of Coal Industry of Kuzbass, coal mining in the largest coal producing Russian region plummeted by almost 16% YoY after dropping by 6% YoY in June. The region decreased coal exports by 5.6% YoY over June–July 2025. Deliveries to the domestic market went down by almost 8% YoY, largely because of a reduction in coal consumption by Russian metal manufacturers. However, the rise in supplies to Russian energy companies only

partially offset coal producers' export losses. In June–July, the number of Kuzbass-based coal enterprises that suspended operations increased from 10 to 17 and the number of vacancies in the industry plummeted by 40% compared to early 2025. Siberian coal enterprises were preparing to cope with the negative trends at least until the end of the year. For example, in June, a large Siberian coal producer reported that it might cut sales by a quarter in 2025 and had already started to decrease mining, reducing costs.

CONSTRUCTION MATERIALS. In 2025 Q2, Siberian construction material manufacturers complained about weaker demand and, consequently, a reduction in the output of main construction materials. For example, the largest cement manufacturer in the Trans-Urals (which combines the capacities of five Siberian plants) reduced output by 9% YoY in 2025 H1. It reported that cement consumption in Siberia dropped by 10% YoY over this period, due to a downturn in the macroregion's construction sector and the lack of new infrastructure projects. A large concrete manufacturer provided its customers with 10% less concrete and mortar than last year. A plant manufacturing reinforced concrete products utilised 60% of its production capacities and had excessive inventories of finished products, due to a decline in housing under construction. A brick manufacturer utilised only half of its production capacity in 2025 amid a decrease in public procurement and in construction overall. The company planned to switch to reduced working hours starting from autumn to retain personnel. A manufacturer of composite construction materials decreased output by 30–40% and suspended investment as its orders dropped.

PACKAGING. In 2025 Q2, most packaging manufacturers from Siberia reported continuing high demand. A Novosibirsk-based manufacturer of polymer packaging mentioned a rise in orders for polymer bags, fuelled by the e-commerce development in Russia, as the main driver of growth in output and sales. Furthermore, prices for raw materials were declining, which increased the company's profit margin and net profit. The enterprise had plans to ramp up monthly output by a quarter as compared with early 2025. A large Siberian glassware manufacturer reported that the rise in demand continued to surpass the capacities to ramp up supply. In 2025 Q2, the company's output surged by 24% YoY. The plant was expanding its range of ultra lightweight glass packaging made with 55–60% recycled glass. Reduced weight of glass packaging helps increase the efficiency of production lines, using the same amount of resources. Another Siberian manufacturer of food and technical glassware packaging reported sustainably high demand. Its production capacity was utilised in full. There were plans to expand output by launching a government-backed investment project. A large Siberian manufacturer of kraftliner (premium cardboard) for packing a wide range of goods continued to ramp up output amid increasing demand for high-quality packaging materials.

BANK OF RUSSIA FAR EASTERN MAIN BRANCH



In July–August, consumption growth accelerated in the macroregion after slowing down in June. This was in part fuelled by increasing tourist traffic. Companies were expanding the tourist infrastructure to meet increasing demand. Wood processing enterprises were launching new facilities to ramp up exports. However, logging went down, in part due to a drop in domestic demand. Cargo traffic at seaports increased, largely on account of coal transshipment.

CONSUMPTION AND INCOMES. In July–August, consumer activity edged up in the macroregion as compared with the 2025 Q2 average (SA) but remained below the rates of early 2025. Major food retailers registered continuing strong demand. Some of them reported an increase in the average ticket size and had plans to open new stores. Demand for non-food goods went up. However, dynamics varied across groups of goods. Car sales increased in August in monthly and annualised terms, due to a stronger ruble and lower loan rates. By contrast, large retail chains selling lighting and decor items from the Khabarovsk Territory and those selling household chemicals from Yakutia complained about lower sales in July–August. Medical institutions reported a rise in demand in July in annualised and monthly terms. Public catering enterprises registered an increase in demand or continuing high demand, due to growth in tourist traffic to the macroregion. Short-term demand expectations in retail and services went up in August (SA).

PRICES. Annual inflation slowed down in the macroregion in July and stayed below the national average. Current price growth, excluding the indexation of utility rates, decelerated (SA). Three-month average inflation (SA) sped up to exceed the Russian average. It was fuelled mainly by the rise in fruit and vegetable prices in the macroregion, contrary to the overall Russian trend. Chinese fruit and vegetables traditionally dominated the macroregion's market, but their supplies went down in July. A wholesaler from the Primorye Territory reported an increase in the number of cases when a quarantine virus was detected in imported fruit and vegetables. In addition, suppliers were passing through higher delivery and labour costs to prices. In August, business short-term price expectations rose, just as across Russia as a whole. Companies mentioned higher costs of raw materials and components and a rise in market prices for the said products as the reason for the anticipated price growth more frequently. Retailers' price expectations went up more notably than across Russia as a whole, largely due to persistently increasing costs.

MONETARY CONDITIONS AND BANKING SECTOR. According to banks, lending conditions remained tight in July–August, despite a slight decline in loan rates. As of early July, the expansion of the corporate loan portfolio accelerated (SA) but was slower than in 2024. Outstanding SME loans (SA) stayed unchanged for the third consecutive month. According to high-frequency data, demand for corporate loans remained low in July–August. Outstanding retail loans (SA) continued to decrease, in part due to early repayment of consumer loans. The growth rates of car lending hit more than one-year highs, due to a drop in rates. Household funds in bank accounts continued to grow in July and, according to recent data, in August.

LOGISTICS. In July, cargo traffic at Far Eastern seaports hit a record high of May, mainly due to a rise in coal transshipment. Seaborne coal supplies exceeded the 2025 H1 average (SA) by a quarter, fuelled by stronger demand, owing to a decline in coal production in an Asian country, hot weather in importing countries, and a decrease in coal transshipment rates at Far Eastern seaports. Oil supplies also edged up in July (MoM, SA), as repairs at a seaport in the Primorye Territory were completed, but remained below the record highs of April–May, since the production in Sakhalin was suspended, due to scheduled repairs. Container traffic at Far Eastern seaports went up in July as compared with June (SA) on account of exports and domestic supplies but remained below the 2024 average. Container imports stayed a quarter below the 2024 average for the third consecutive month. In August, a large transportation company launched regular deliveries of car sets from China for a car plant in Central Russia. A key rail hub in the Far East opened a new rail yard in August to increase the carrying capacity and accelerate freight train operations 1.5 times.

LOGGING AND WOOD PROCESSING. In 2025 Q2, logging was contracting in the macroregion for the second consecutive quarter at an accelerated pace, due to bad weather and a decrease in the construction of single-family homes. For example, owing to bad weather in spring and summer and equipment malfunctioning, a large company from the Khabarovsk Territory reduced logging and its inventories of finished products as of the end of January–July were substantially below the seasonal average. A Sakhalin-based enterprise decreased logging in 2025 H1 by more than 50% YoY and had excessive inventories of wood amid weak demand. Contrastingly, wood processing in the macroregion went up in 2025 Q2 after decreasing during the previous four quarters, due to the development of new facilities and expansion of sales markets. For example, an enterprise from the Khabarovsk Territory entered the market of wooden housing construction in 2025 Q2 and, therefore, increased capacity utilisation. It had plans to launch a wood processing facility in September. Another company launched a new plywood plant in July to ramp up supplies to an Asian country. A business from the Amur Region purchased wood processing equipment to make products for export. Export-focused companies reported a drop in the delivery profitability in 2025 Q2, due to a stronger ruble.

TOURISM. In January–June, tourist traffic to the macroregion increased more notably than across Russia overall, on account of inbound and outbound tourism. In summer, the Far East was one of the most popular domestic destinations, in part due to the expansion of discounted flight programmes. According to an online accommodation platform, the number of hotel bookings in Vladivostok for July–August and September–October soared by 40% YoY and by 70% YoY, respectively. A major Yakutia-based travel agency reported a rise in demand for river cruises, as almost all tours were sold out until the end of the season. Hospitality companies from Sakhalin also registered increased demand. High tourist traffic pushed up prices for tourism services. As of the end of July, prices for hotel services went up more notably than across Russia overall. An average price of a tour to the Magadan Region in summer increased almost 1.5 times and that for the services of a guide – by a quarter. Businesses were actively investing in the sector's development. By the beginning of summer, a new hotel from the Amur Region made half of its rooms available for booking and several large tourist facilities were launched in Sakhalin. By the end of 2025, a ski resort and a tourist complex will be opened in the Primorye Territory and in Chukotka, respectively.

BOX 1

PRODUCER PRICES AND PRICE EXPECTATIONS

The rise in producer prices in early 2025 continued to slow down, becoming negative since April, largely due to cooling external and domestic demand. Declining demand and stronger competition in certain commodity markets limited companies' ability to pass through higher costs to prices. Business price expectations had been predominantly decreasing since February 2025, including due to a stronger ruble, but remained above the 2017–2019 level, when inflation was close to the target, as costs continued to grow fast. The increase in expenditures was mainly driven by the growing cost of raw materials and components as well as higher labour expenses, although the impact of the said factors decreased as compared with 2024.

CHANGES IN PRODUCER PRICES

In early 2025, the annual rise in industrial producer prices continued to slow down, becoming negative since April 2025 (Chart B-1-1). The decline was mainly triggered by the drop in export prices (-15.8% YoY in July 2025), predominantly caused by the decrease in external demand and global commodity prices. For example, oil prices were falling during most of 2025 and, in August, they were close to their lows since mid-2023. In May–July 2025, coking coal prices hit their lowest level since mid-2017, due to low demand from steel makers from a large East Asian country.

In 2025 H1, growth in producer prices decelerated in the domestic market as well. In July, they decreased for the first time since May 2023 (-0.3% YoY). Overall, prices rose by 3.9% YoY in January–July 2025, which is substantially below the last year's level (+17.1% YoY). In mining and quarrying, producer prices, just like export prices, started to decrease (YoY) in March, as it was impossible to redirect the denied supplies to the domestic market (Chart B-1-2). Prices for intermediate goods in manufacturing started to go down (YoY) in May. The main contributors to this trend included the manufacturing of petroleum products, paper and paper products as well as metallurgy. Domestic prices, just like export prices, for products of oil refining were declining from April 2025 to July 2025, due to the unfavourable global environment. Metal prices were affected by the drop in demand from construction and machine-building companies. However, price growth accelerated in a number of industries, such as food and chemical industries and the manufacturing of precious metals. For example, a large meat processor from Buryatia raised prices by 10%, due to higher costs, despite weaker demand and strong competition. In other key industries, price growth slowed down.

By region, domestic producer prices went down in the Urals in January–July 2025 and were growing more slowly in other macroregions (Chart B-1-3). The negative dynamics in the Urals were associated with a large share of oil and gas enterprises and metallurgical plants in industrial production. In January–July 2025, the most notable year-on-year price growth deceleration was recorded in Volga-Vyatka (on account of oil production and the automotive industry) and in Siberia (due to the drop in coal prices triggered by weak external demand). However, coal producers from the Far East could raise output prices, owing to increasing domestic demand and their closer location to the main export markets.

PRICE DRIVERS

According to the Bank of Russia's monitoring of businesses, the growth rate of companies' costs remained high in January–August 2025 and slightly exceeded the 2023 and 2024 averages (Chart B-1-4). The rise in the cost of raw materials and components remained the

main growth driver (Chart B-1-5). This fact was reported by 71% of respondents, primarily companies engaged in machine building, construction, pharmaceuticals, and agriculture. For example, a construction enterprise from the South complained about a 10–20% year-on-year rise in prices for construction materials. A machinery and equipment manufacturer from the Tomsk Region incurred 20% more costs on purchasing components than last year. A milling plant from the Urals reported an increase in grain prices by 15–20% YoY. Agricultural companies from the South spent more on fertilisers, watering plants, and crop protection chemicals, due to bad weather this year. An agricultural enterprise from the Voronezh Region reported higher prices for spare parts. According to a pasta manufacturer from the Chelyabinsk Region, prices for packaging went up by 20% YoY on average in 2025.

Labour shortages remained one of the key problems for businesses in 2025, making companies raise their labour costs. Slightly more than 50% of all respondents (mostly services, road transportation, pharmaceutical, and machine-building companies) mentioned higher labour expenses as one of the most significant drivers of the rise in costs. For example, for a manufacturer of detergents from the Kirov Region, the increase in labour expenses remained the most significant contributor to costs growth. Two enterprises engaged in industrial agriculture from Chuvashia increased their labour costs by a third in 2025. A public catering company from the Primorye Territory raised wages more than 1.5 times since early 2025, due to labour shortages.

More expensive logistics became a crucial driver of growth in costs for a third of respondents, mostly for trade, construction, and pharmaceutical companies. The rise in costs was predominantly associated with higher rail fares. For example, this was reported by a large manufacturer of raw materials for the glass industry from North Ossetia. A knitwear manufacturer from the Jewish Autonomous Region incurred 100% more costs on the delivery of raw materials after switching from rail to road transportation for the sake of faster delivery.

The share of companies complaining about the rise in the cost of servicing the loan portfolio fell by 9 pp to 19% as compared with early 2025. The increase in interest payments on loans was most frequently reported by agricultural companies, owing to the change in lending conditions under government subsidised programmes, and by retailers and machine builders. For instance, a large seller of agricultural machinery and equipment from the Tambov Region recorded a rise in interest payments on loans by around 10% YoY.

According to the August survey, the effect of the main drivers of costs growth weakened as compared with the January 2025 survey results. The share of companies complaining about higher transportation costs and about more expensive raw materials and components, in particular due to a stronger ruble, dropped most notably – by 14.8 pp and 14.7 pp, respectively. Enterprises were mentioning higher logistics expenses less frequently, in part because of cheaper marine delivery of container cargoes from Asia. For example, the rates dropped to the lowest level since late 2020 as demand for imports decreased. A major pharmaceutical company from Siberia reported slower growth of labour costs.

In January–August 2025, domestic demand was gradually cooling down. According to the Bank of Russia's monitoring of businesses, current estimates of demand for products (services) had been negative since September 2024 (Chart B-1-6). **However, by July–August 2025, they hit the lowest level since late 2022.** Estimates went down in all key industries, except for agriculture. The most notable year-on-year decrease was recorded in manufacturing, wholesale trade, and construction in January–August 2025. For example, furniture manufacturers from Buryatia and the Orel Region complained about a drop in demand in 2025 by

40% YoY and by 20% YoY, respectively. Construction companies from most regions recorded weak demand for new housing, as mortgage programmes became less accessible. A large manufacturer of metal structures from the Ivanovo Region reduced output by 22% YoY, due to a decline in orders from construction companies and decreased its capacity utilisation by 47%. A manufacturer of disinfectants from Volga–Vyatka had to maintain prices to retain its customers, since demand plummeted.

According to the Bank of Russia's survey of businesses, in January–July 2025, 74% of companies decided either not to pass through higher costs or to pass through not more than 30% of costs to output prices (44% and 30% of respondents, respectively) (Chart B-1-7). As compared with the results of the January 2025 survey (when businesses were asked about the pass through of 2024 costs in general), the share of such companies increased by 14 pp. **Businesses reported the following factors preventing them from passing through costs to prices: weak demand, strong competition in certain commodity markets, effective contractual obligations, restrictions on price increases imposed by retail chains or regional authorities,** in part due to subsidies being granted. For instance, certain bread and bakery producers from the North-West, the South, Siberia, and the Far East could pass through higher costs to prices only partially, owing to the government regulation of prices for socially important goods. A major electrical equipment manufacturer from the Republic of Mari El mentioned strong competition with imported products as the main factor preventing it from passing through costs to prices. Packaging manufacturers from the Murmansk Region and the Jewish Autonomous Region and a manufacturer of specialised machinery from the Bryansk Region faced intensified competition with foreign suppliers. Only 11% of respondents could fully pass through higher costs to prices (-3 pp, as compared with the results of the January 2025 survey). This mainly applied to enterprises reporting high demand. For example, a manufacturer of reinforced concrete products from the Republic of Altai fully passed through higher costs to prices, due to the construction of large tourism facilities as part of active development of tourism in the region.

COMPANIES' PRICE EXPECTATIONS AND PLANS

According to the Bank of Russia's monitoring of businesses, in January–August 2025, companies' price expectations for the next three months were below the last year's average (Chart B-1-8). They had been stably declining from February to July hitting their two-year lows. In August, price expectations edged up in response to the indexation of utility rates but did not exceed the 2025 H1 average. However, their level remained elevated and considerably exceeded the figures of 2017–2019, when inflation was close to the target. The average inflation rate expected by businesses for the next three months (in annualised terms) was 3.7% in August, hitting the lowest value since July 2023. The lowest price increase was expected in mining and quarrying (0.9%) and the highest one – in fishing and fish farming (7.1%) and in retail trade (7.0%). Thus, a large oil producer from the Urals did not intend to raise prices in the next months, due to the decrease in global prices. Retailers had plans to increase prices, owing to higher utility rates and growing supplier prices. A trade company from Siberia expected prices for dairy products to go up by 10–20% in the near future. A large fishing company from the Kaliningrad Region had plans to raise prices by up to 10%.

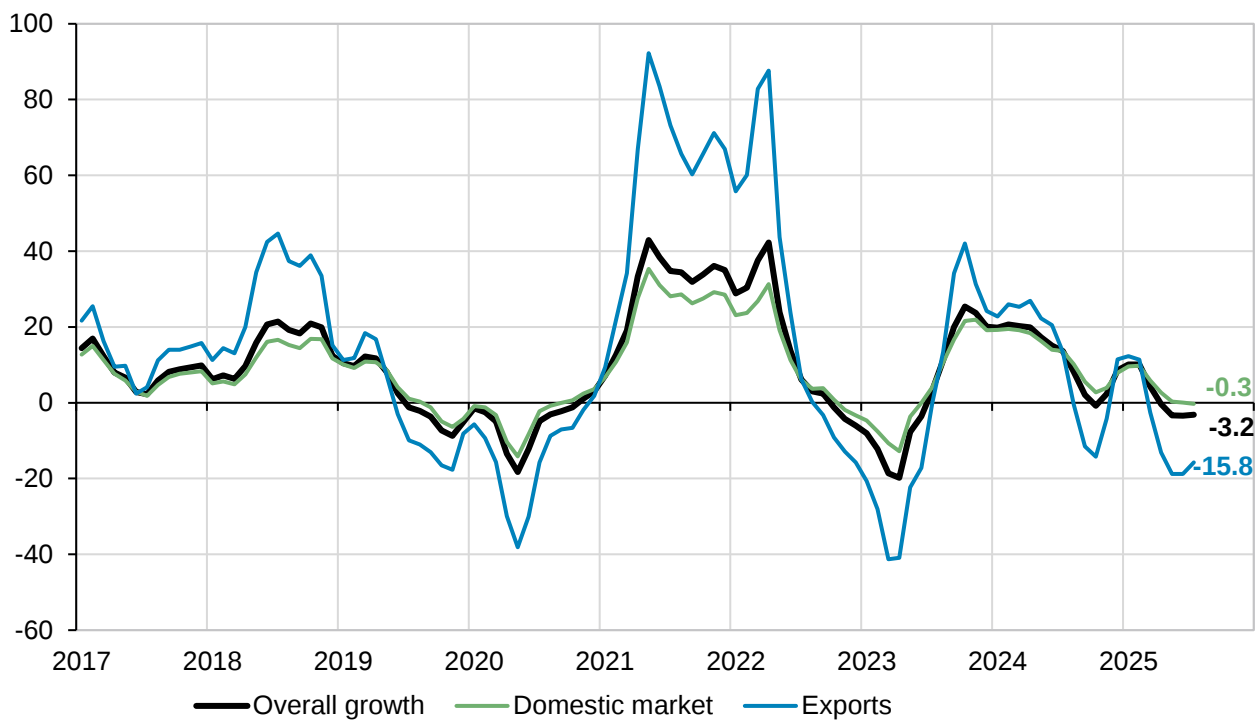
Price expectations in 2025 were significantly affected by a stronger ruble in 2025 H1. Fewer companies mentioned more expensive raw materials and components as the reasons for the expected price growth. The most notable decline in prices in 2025 was recorded in manufacturing, wholesale and retail trade, and mining and quarrying. For example, a dairy producer from the Bryansk Region incurred less expenses on purchasing raw materials than last year and therefore

was able to cut prices. According to a manufacturer of food packaging from the Omsk Region, imported raw materials became cheaper as a result of ruble appreciation. However, this year, businesses mentioned higher prices for fuels and lubricants as a reason for the anticipated price growth more frequently. The increase in price expectations as compared with the previous year was recorded only in fishing and fish farming, owing to expectations of continuously strong domestic demand and higher costs, including the need to renegotiate contracts for fishing grounds.

Companies' estimates of further pass-through of higher costs to prices remained moderate, largely due to enterprises' demand expectations. According to the Bank of Russia's monitoring of businesses, in summer 2025, estimates of future changes in demand were at the lowest level since early 2023 (Chart B-1-6). For example, most wood processing enterprises did not have plans to pass through increased costs to prices, due to weak demand, in part triggered by a drop in the construction of single-family homes. Certain companies were unable to raise prices as this might lead to a violation of effective contracts and restrictions imposed by the government.

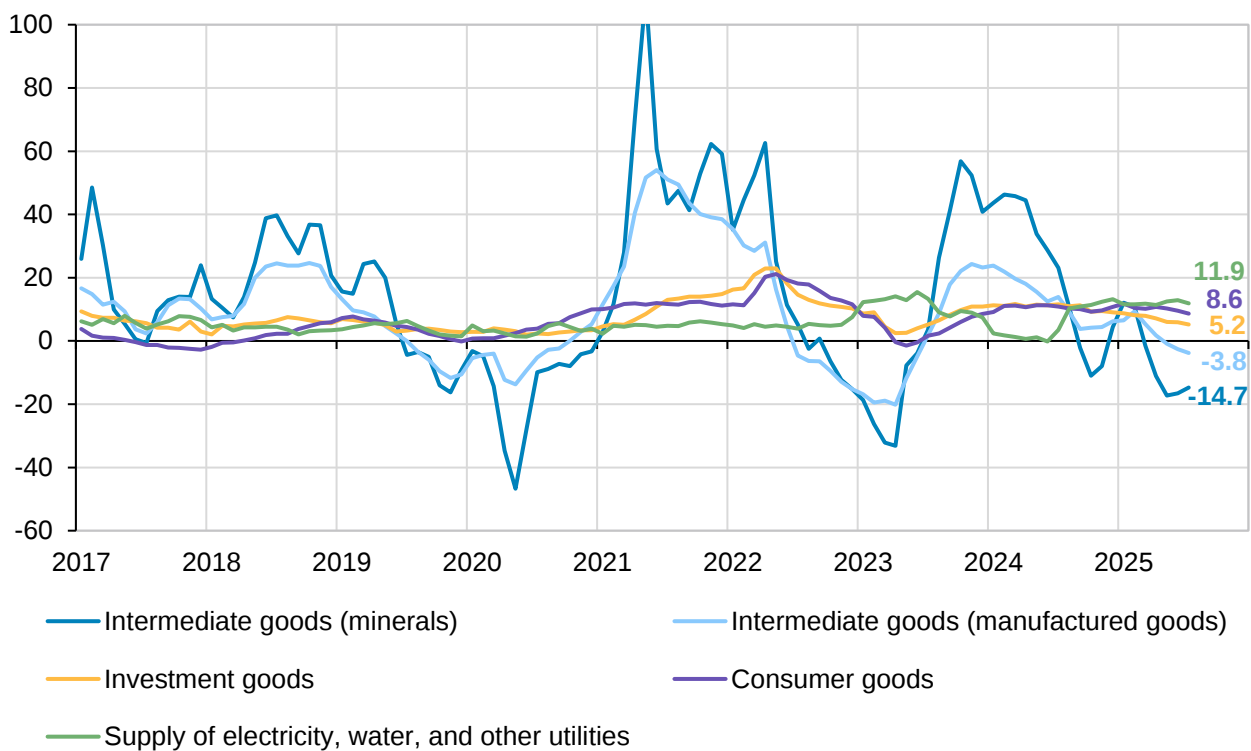
In January–July 2025, most enterprises were able to pass through not more than 30% of increased costs to prices. This was largely associated with cooling domestic demand and stronger competition in certain markets. As a result, domestic producer prices were growing more slowly in 2025 H1 and, in July, dropped for the first time since May 2023. However, a notable rise in companies' costs persisted. Nevertheless, companies' estimates of further pass-through of higher costs to prices remained moderate.

Chart B-1-1. Industrial producer price growth, % YoY



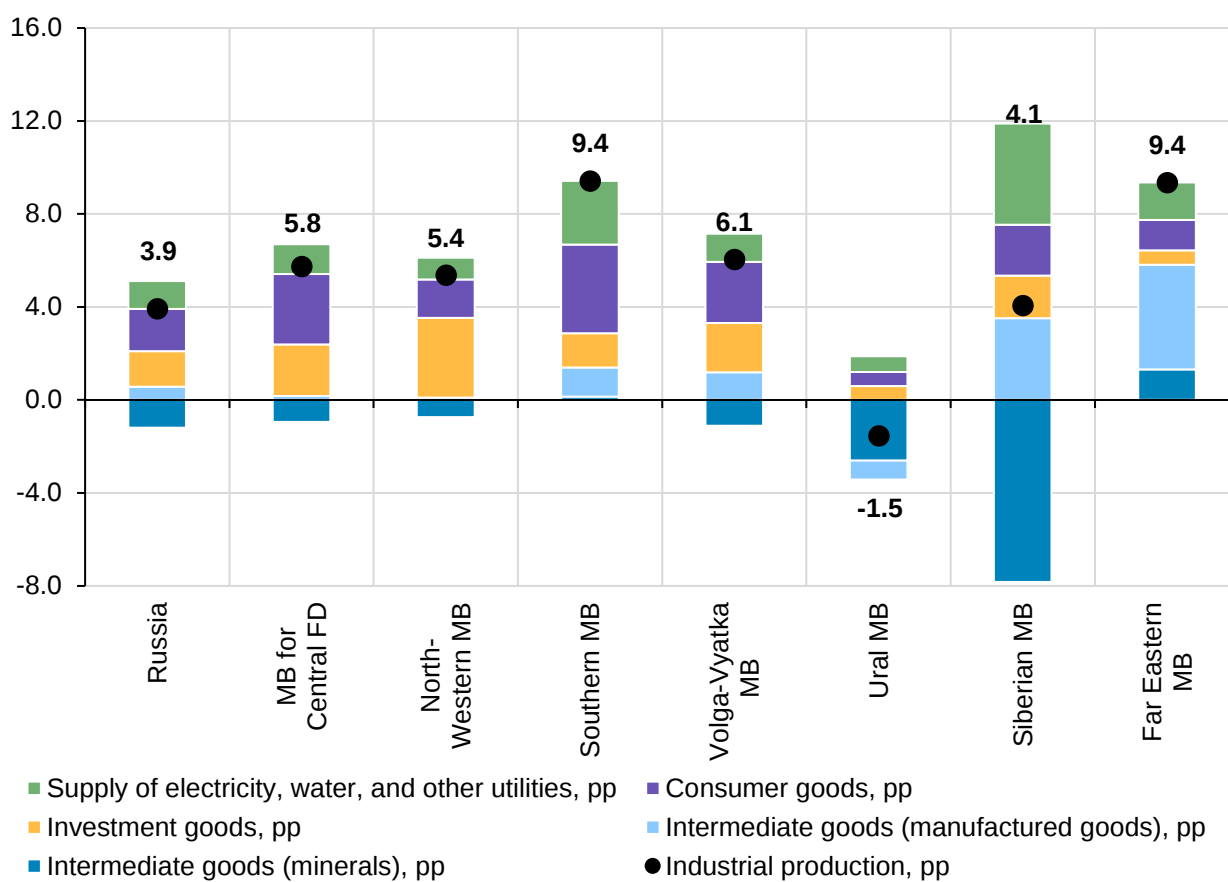
Source: Rosstat.

Chart B-1-2. Industrial producer price growth by sector, % YoY



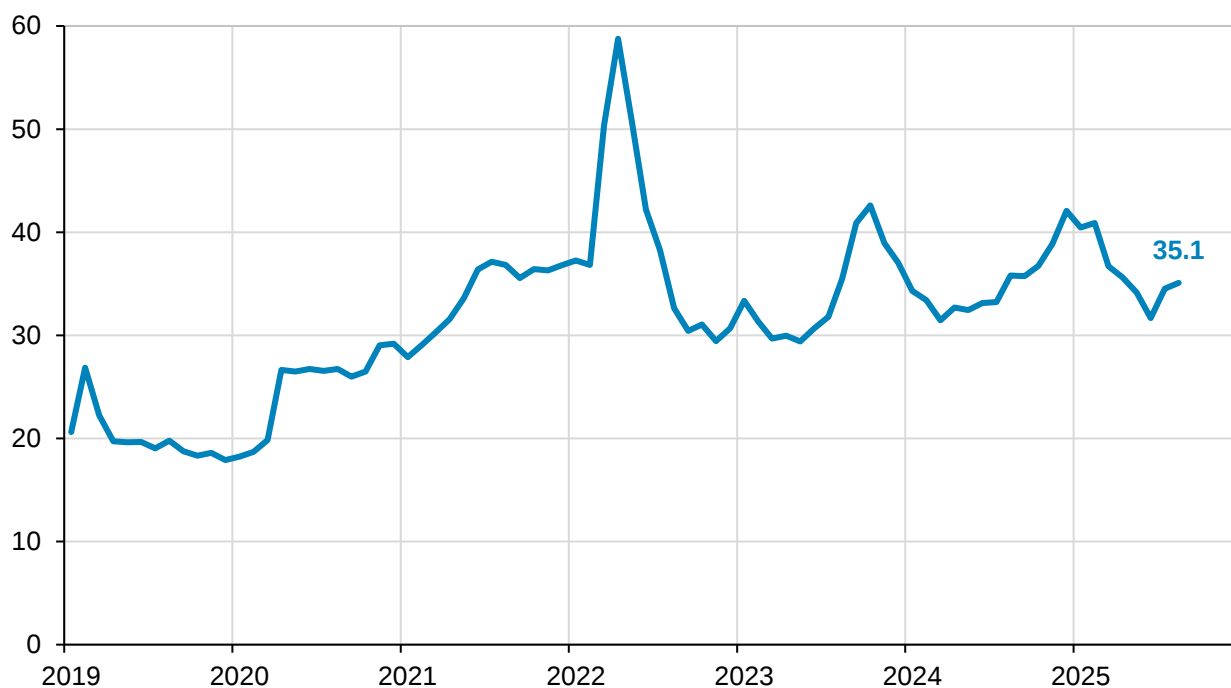
Source: Rosstat.

Chart B-1-3. Growth in producer prices for industrial goods for domestic market in macroregions, (January–July 2025, % YoY) and contribution of individual industries (pp)



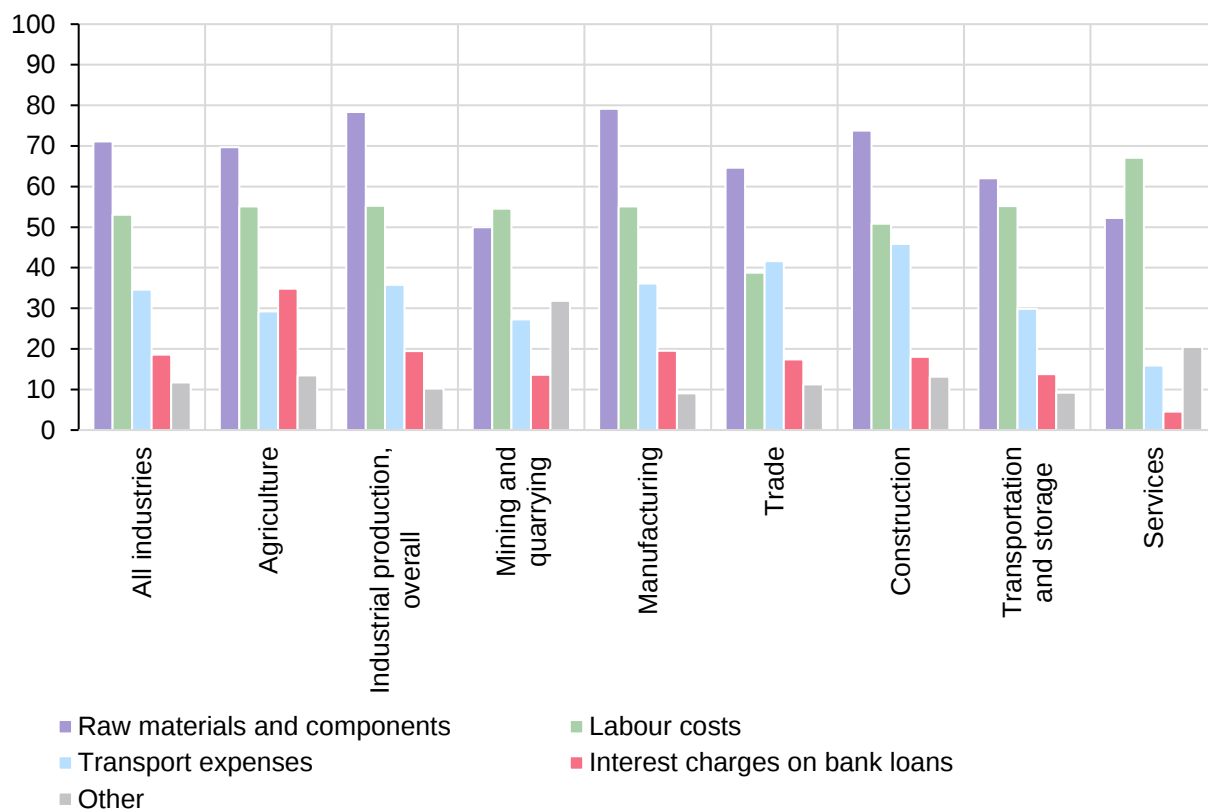
Sources: Rosstat, Bank of Russia calculations.

Chart B-1-4. Estimates of changes in production costs, balance of responses, p, SA



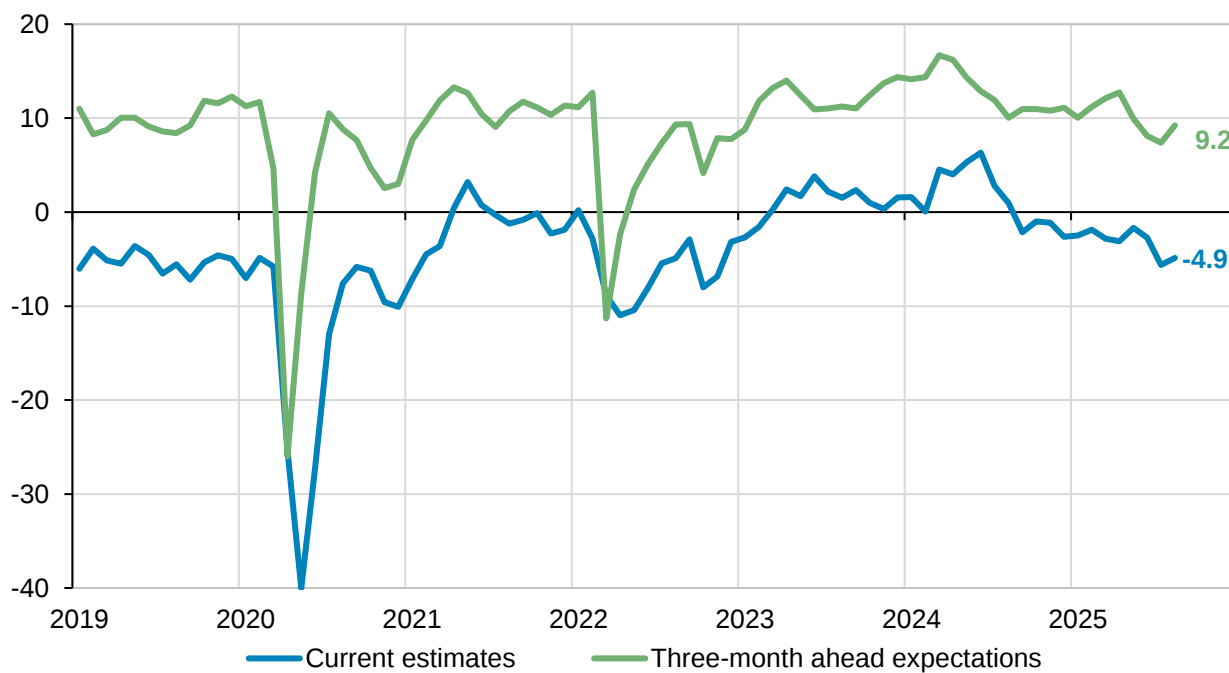
Source: Bank of Russia's monitoring of businesses.

Chart B-1-5. Most significant drivers of growth in companies' costs in January–July 2025 YoY, % of respondents (multiple choice, %)



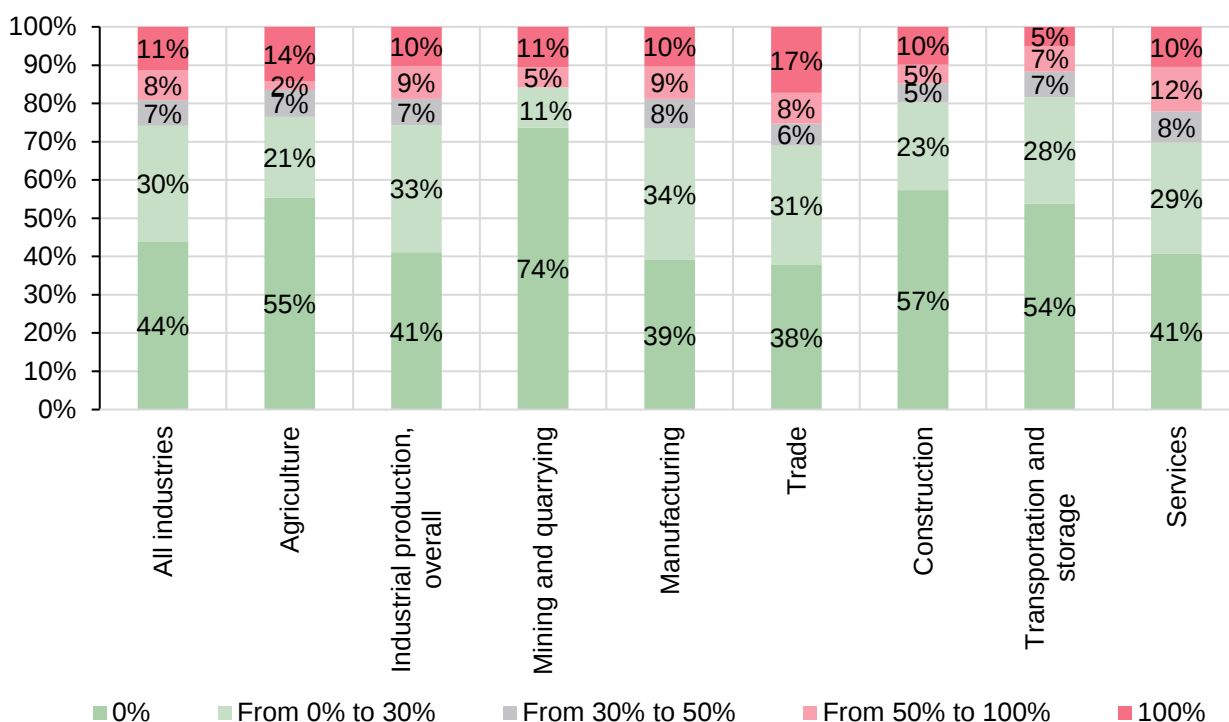
Source: Bank of Russia's monitoring of businesses.

Chart B-1-6. Estimates of changes in demand for products, balance of responses, p, SA



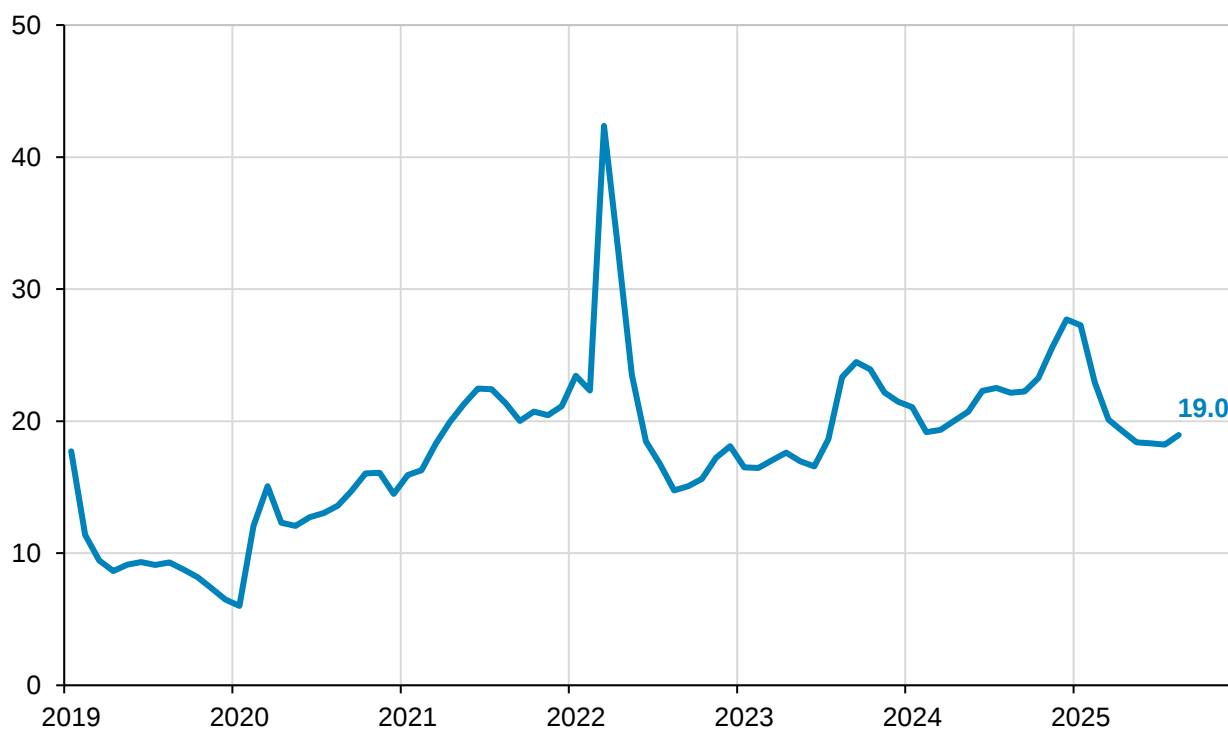
Source: Bank of Russia's monitoring of businesses.

Chart B-1-7. Estimated percentage of pass-through of growth in costs over January–July 2025 to output prices, % of respondents



Source: Bank of Russia's monitoring of businesses.

Chart B-1-8. Companies' price expectations, balance of responses, p, SA



Source: Bank of Russia's monitoring of businesses.

BOX 2

INVESTMENT ACTIVITY

In 2025 H1, growth of fixed capital investment slowed down, due to cooling domestic demand. In certain industries, investment activity remained high, supported by continuing elevated demand for domestic products, including as part of public procurement and ongoing import substitution. According to the Bank of Russia's surveys, a significant share of companies had plans to expand investment by the end of 2025. In most industries, investment targets were revised upwards as compared with those of late 2024.

In 2025 H1, fixed capital investment went up by 4.3% YoY, which is below the figures of 2024 H1 (+11.2% YoY). In 2025 Q2, investment edged down as compared with the historic highs of 2025 Q1 (SA) (Chart B-2-1). Growth varied across macroregions. The most notable rise in investment in 2025 H1 was recorded in the North-West (+17.0% YoY), owing to the implementation of major projects in manufacturing, and in Siberia (+9.6% YoY), on account of projects in mining and quarrying and transportation. The least significant increase was observed in the Far East (+3.8% YoY) as the implementation of a large-scale project in gas processing was gradually completed.

The dynamics of annual growth in fixed capital investment⁴ varied significantly across industries. It was predominantly fuelled by the implementation of major projects in manufacturing (Chart B-2-2). Consequently, its share in fixed capital investment by sector significantly increased to 23.6% in 2025 H1, its five-year average⁵ was 19.0% (Chart B-2-3). In addition, investment in trade was growing fast. Investment in mining and quarrying, transportation and storage, and construction went down after surging in 2021–2024.

Companies' equity remained the main source of financing fixed capital investment. In 2025 H1, its share edged up (Chart B-2-4). However, the portion of borrowed funds increased and that of budgetary funds declined. For example, certain respondents reported that subsidies had been delayed in 2025 H1.

The breakdown of investment by type changed amid the ongoing economic transformation. The portion of investment in non-residential buildings and facilities as well as machinery and equipment decreased as compared with 2024 H1 and the five-year average (Chart B-2-5). The share of investment in residential buildings and facilities as well as intellectual property items went up, in part owing to the ongoing transition from foreign to domestic software.

According to the Bank of Russia's monitoring of businesses, the uptick in companies' investment activity slowed down in 2025 H1 YoY (Chart B-2-6). As estimated by businesses, the lack of equity remained the main investment constraint. Furthermore, more enterprises complained that low demand was limiting their investment activity. Their share in 2025 H1 was above the figures recorded in the first six months of 2023–2024. However, according to businesses, demand in the economy remained high overall, which supported investment activity. Enterprises were upgrading and renovating worn-out equipment, using government support measures. For example, a large company from Udmurtia started the construction of two new poultry farms in 2025 H1, using government subsidised investment loans. A Krasnoyarsk-based manufacturer of paints and varnishes received government subsidised loans and introduced new modern equipment to

⁴ Hereinafter, excluding small enterprises and the amount of investment that cannot be recorded by using direct statistical methods.

⁵ Hereinafter, the phrase 'five-year average' implies an arithmetic mean for the first six months of 2021–2025.

streamline technological processes in 2025.

INVESTMENT ACTIVITY IN KEY INDUSTRIES

Mining and quarrying. Fixed capital investment went down in 2025 H1 by 0.5% YoY. According to the Bank of Russia's monitoring of businesses, the effect of insufficient equity intensified as a result of a drop in the profit margin reported by enterprises from certain industries. In the Urals, investment in the oil and gas sector decreased, owing to the decline in oil production under the OPEC+ agreement and sanctions. Contrastingly, Siberian and Far Eastern enterprises continued to develop the existing and explore new oil and gas fields. Investment in coal production was constrained by low global prices and weak external demand. Coal producers from the Kemerovo Region postponed the implementation of every fourth investment project. However, a large coal producer from the Khabarovsk Territory reported strong external demand from Asian countries as its logistics leg was shorter than that of Siberian companies. This helped increase investment by 10% YoY in 2025 H1.

Manufacturing. In 2025 H1, fixed capital investment went up by 29.4% YoY. Growing domestic demand amid ongoing import substitution remained a key driver of high investment activity. Government also continued to generate demand. The construction of a large gas processing and chemical cluster continued in the Leningrad Region. Its products will be both sold in the domestic market and exported. The first Russian facility producing gold from complex raw materials (double refractory ore) that used to be processed only abroad was launched in the Khabarovsk Territory. The commissioning phase was completed at a polymer plant in the Irkutsk Region. Its products will be both sold in the domestic market and exported. In certain industries, investment was also fuelled by high external demand. For example, fertiliser manufacturers increased export quantities, owing to large inventories of raw materials and low production costs. A large fertiliser manufacturer from the Novgorod Region implemented a number of projects to expand its production capacities amid strong domestic and external demand. In 2025 H1, several investment projects were completed in the Kemerovo Region. They were aimed at expanding the output of mineral fertilisers. Investment was also boosted by the rise in companies' costs of the implementation of previously launched projects. For example, a large metal producer from the Vologda Region substantially expanded its investment programme for 2025 to maintain the current and develop new facilities. The value of one of the projects exceeded the estimated value by almost 20%, owing to higher prices for equipment and labour costs as well as problems with settlements with foreign suppliers.

According to enterprises, investment in the manufacture of motor vehicles declined in 2025 H1, as demand dropped. This factor and labour shortages made a large truck manufacturer from the Urals cut investment. A truck manufacturer from Volga–Vyatka suspended part of its investment projects in 2025 H1 and reduced investment by 13% YoY, due to high debt burden.

Construction. Companies' capital investment dropped by 14.2% YoY in 2025 H1. The share of construction enterprises mentioning insufficient demand as an investment constraint was up over the past 12 months. Cooling demand for real estate made businesses postpone the launch of new housing projects. Several developers from the Novosibirsk Region and the Primorye Territory cancelled the launch of certain new projects. The completion of large-scale projects in the previous periods was another reason for the decline in investment. For example, last year, the utility systems upgrade was completed in the Rostov Region and a large-scale road renovation project was finished in the Krasnodar Territory.

Agriculture. Capital investment increased by 7.7% YoY in 2025 H1. Investment growth was substantially fuelled by government support measures, in particular by subsidised lending. For example, according to enterprises from the Republic of Crimea and the Republic of Ingushetia, investment was largely driven by subsidised loans. Strong demand for agricultural products also

spurred capital investment growth. A dairy producer from the Republic of Mari El had plans to put into operation its own logistics facility by the end of 2025 to meet high demand. Agricultural companies from the Bryansk and Smolensk Regions also intended to ramp up investment this year, owing to strong demand.

Trade. Investment went up by 16.8% YoY in 2025 H1. A remarkable rise in investment was recorded in retail trade, largely in the online segment. The said increase was mainly driven by growth in investment activity over the past two years and a shift of demand from offline to online trade. Individual Siberian regions reported a rise in investment in trade from large retail chains, which was also fuelled by the expansion of the network of pick-up points. Contrastingly, investment in car trade decreased by 14.7% YoY in 2025 H1, due to lower demand. For example, a car dealer from the Amur Region did not plan any new investment in the near future as demand for new cars dropped. It cut the number of showrooms by combining several brands on one site and leased out the vacated premises.

Transportation and storage. Investment went down by 25.7% YoY in 2025 H1. The main investment constraints included insufficient equity and economic uncertainty in the country. The main reason behind the decrease in companies' equity to finance investment was a decline in cargo traffic associated with an overall slump in business activity across all industries. Rail shipments dropped by 7.3% YoY in January–July 2025 and hit 10-year lows. The amount of cargo handled by ports went down by 4.7% YoY. A North-Western port revised downwards its initial investment targets. The East-Siberian Railway decreased investment as its profit declined in 2025 H1. The completion of the project to upgrade the Eastern Polygon and the purchase of new locomotives were postponed.

However, investment in the expansion of warehousing facilities remained at a high level, supported by the development of online trade. For instance, several large logistics hubs were opened in Central Russia this year.

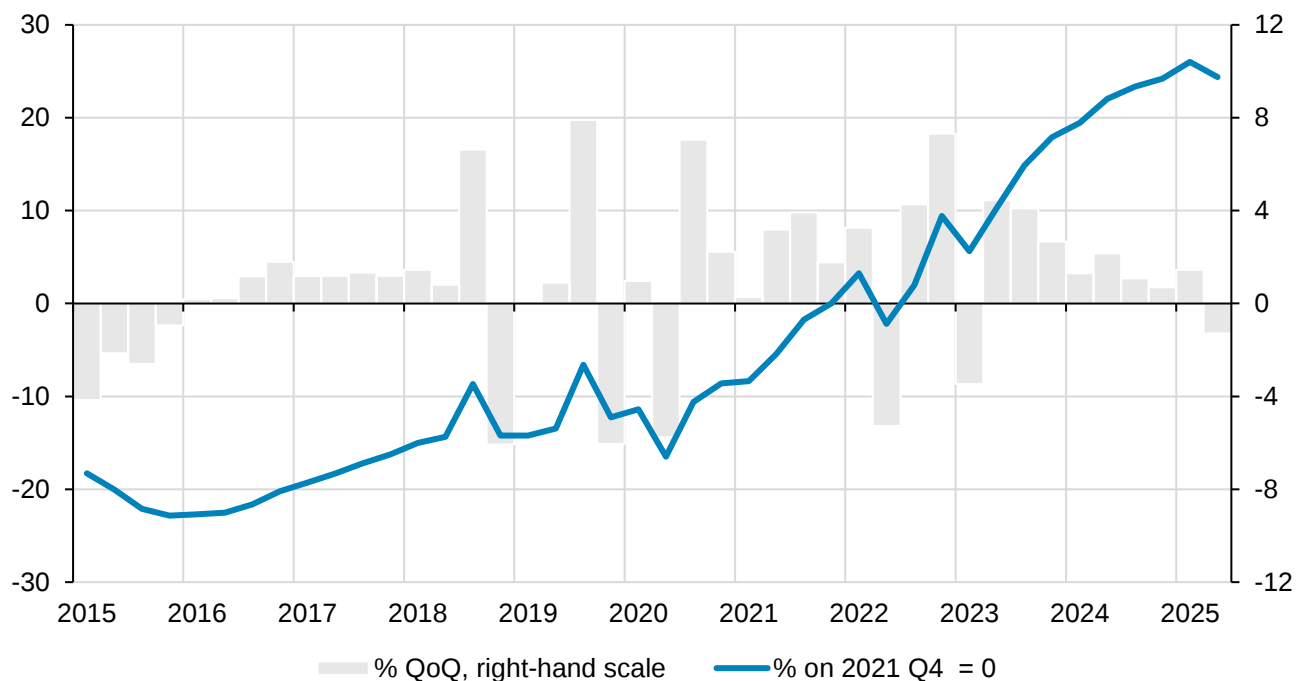
COMPANIES' INVESTMENT TARGETS

According to the Bank of Russia's monitoring of businesses, enterprises intended to maintain investment activity in 2025 Q3 at the level of 2025 Q2. With regard to 2025 Q3, the highest estimates of investment activity were given by electric power and water supply companies and the lowest ones – by construction enterprises, which had been reducing their current investment activity for four quarters in a row after a significant overheating in the given industry.

According to the survey conducted in July, businesses expected capital costs to increase as of the end of 2025 (Chart B-2-7). As compared with the results of the April survey, companies' investment targets improved. Most businesses (59%) did not expect any deviations from the investment targets set in early 2025 as of the year-end. Another 25% of enterprises adjusted their targets upwards. The main reasons behind the rise in investment, including the upward revision of investment targets, were strong demand, expansion of sales markets, and the need for the production upgrade and expansion. Over a quarter of companies (17%) revised their 2025 investment programme downwards as compared with the initial targets primarily due to the lack of equity.

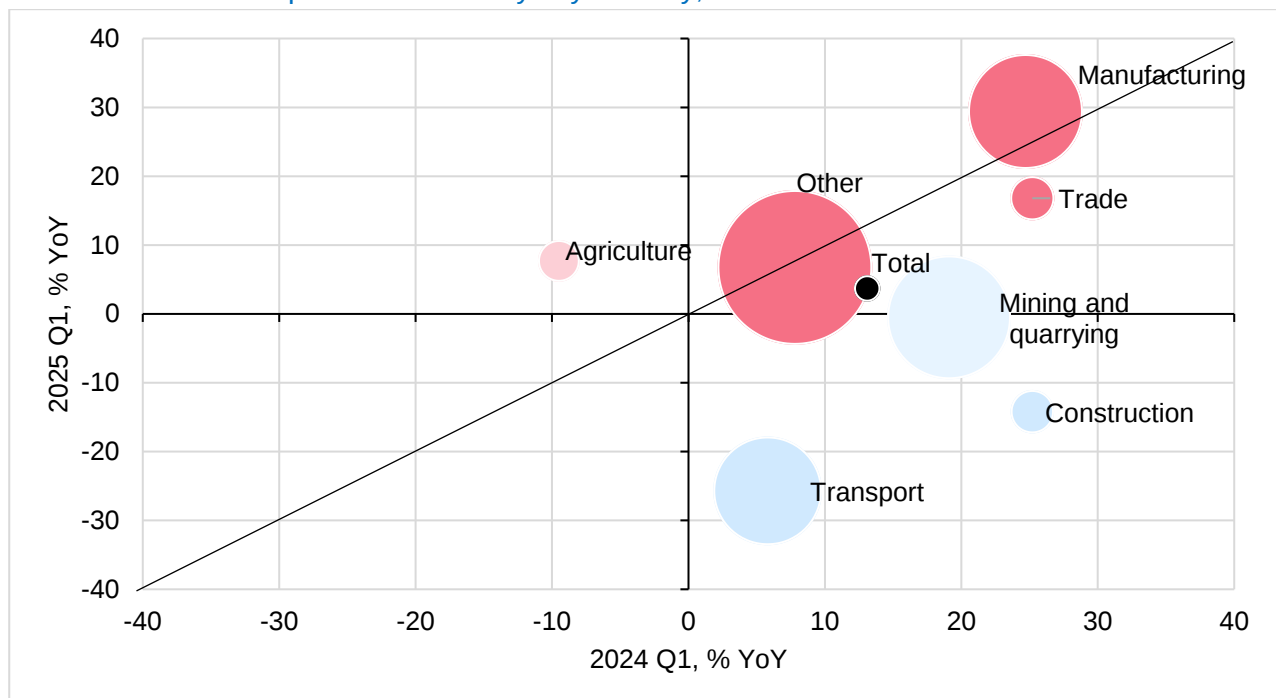
Fixed capital investment was growing more moderately in 2025 H1 as compared with 2024 H1 amid an uneven decline in domestic and external demand. This resulted in a slowdown of growth in investment activity, whose rates varied by industry and macroregion. The situation in foreign trade, i.e. the drop in global prices, was an additional reason behind a decrease in capital investment in individual industries. According to the recent survey data, businesses expected a rise in investment as of the end of 2025 as compared with 2024, due to a more extensive use of retained earnings.

Chart B-2-1. Fixed capital investment across all companies, SA



Sources: Rosstat, Bank of Russia calculations.

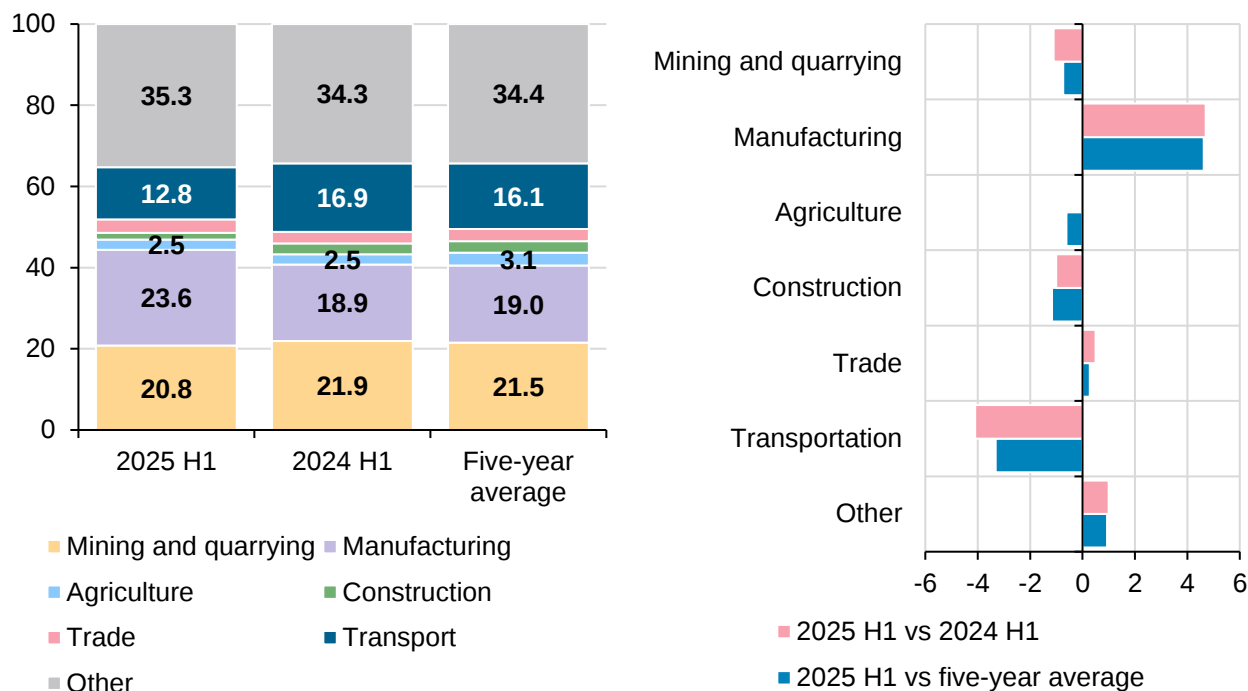
Chart B-2-2. Fixed capital investment by key industry, %



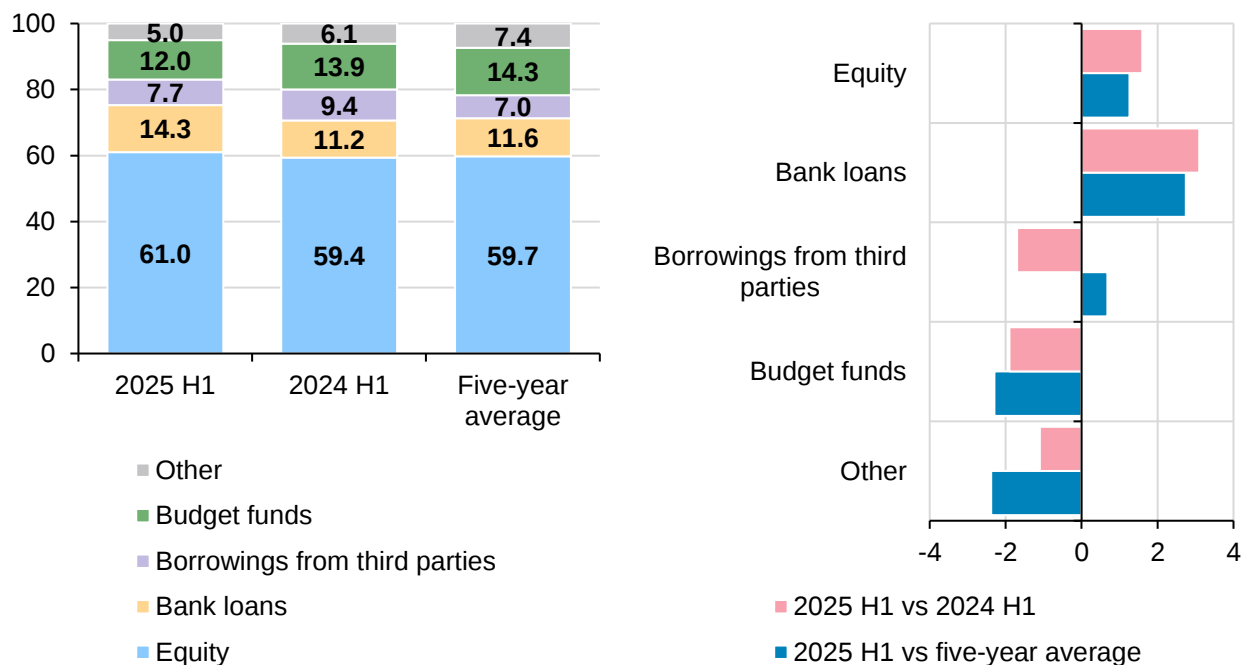
The area of a circle in the chart corresponds to the share of the industry in fixed capital investment. Red circles denote industries whose investment rose in both 2025 H1 and 2024 H1; pink circles show industries whose investment rose in 2025 H1 YoY but declined in 2024 H1 YoY; and blue circles show industries whose investment declined in 2025 H1 YoY.

Sources: Rosstat, Bank of Russia calculations.

Chart B-2-3. Fixed capital investment by key industry and its dynamics, %



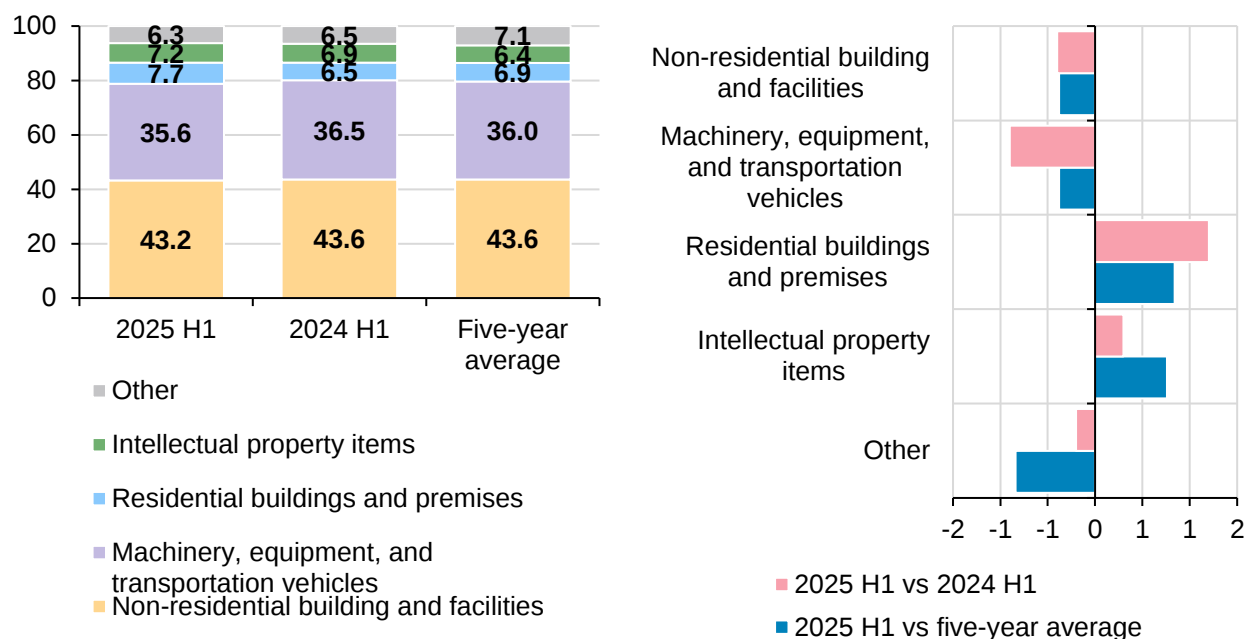
Sources: Rosstat, Bank of Russia calculations.

Chart B-2-4. Fixed capital⁶ investment by source of financing and its dynamics, %

Sources: Rosstat, Bank of Russia calculations.

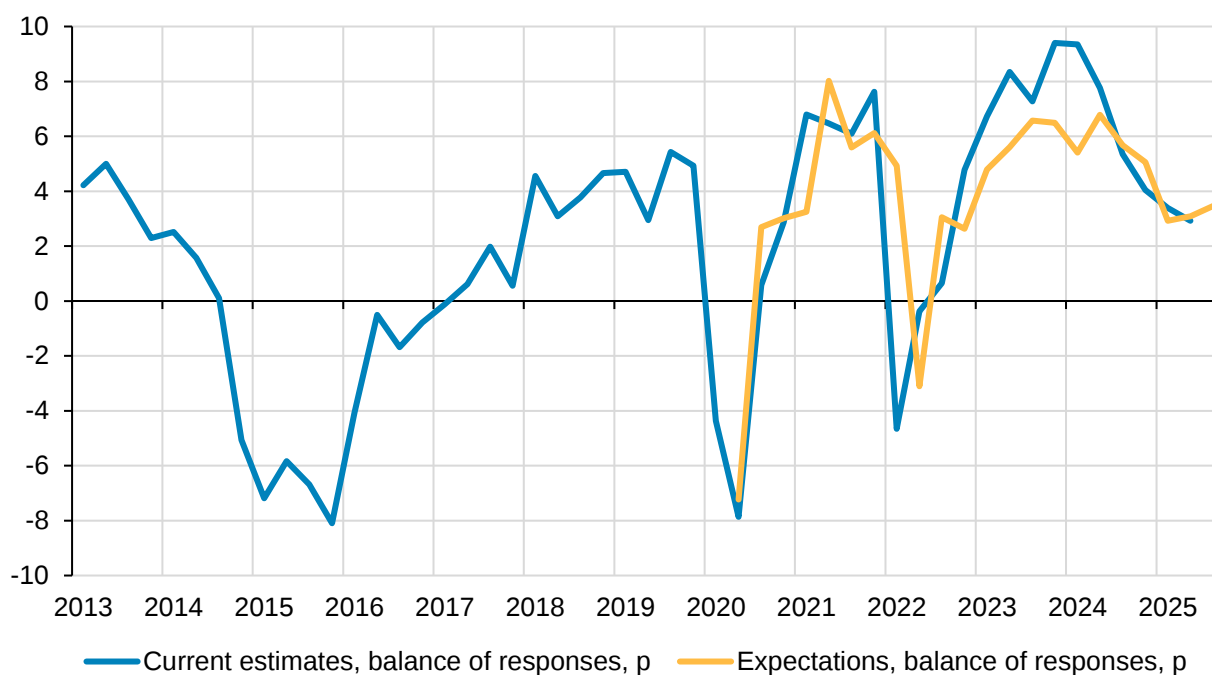
⁶ Hereinafter, excluding small enterprises and the amount of investment that cannot be recorded by using direct statistical methods.

Chart B-2-5. Fixed capital investment by type of fixed assets and its dynamics, %



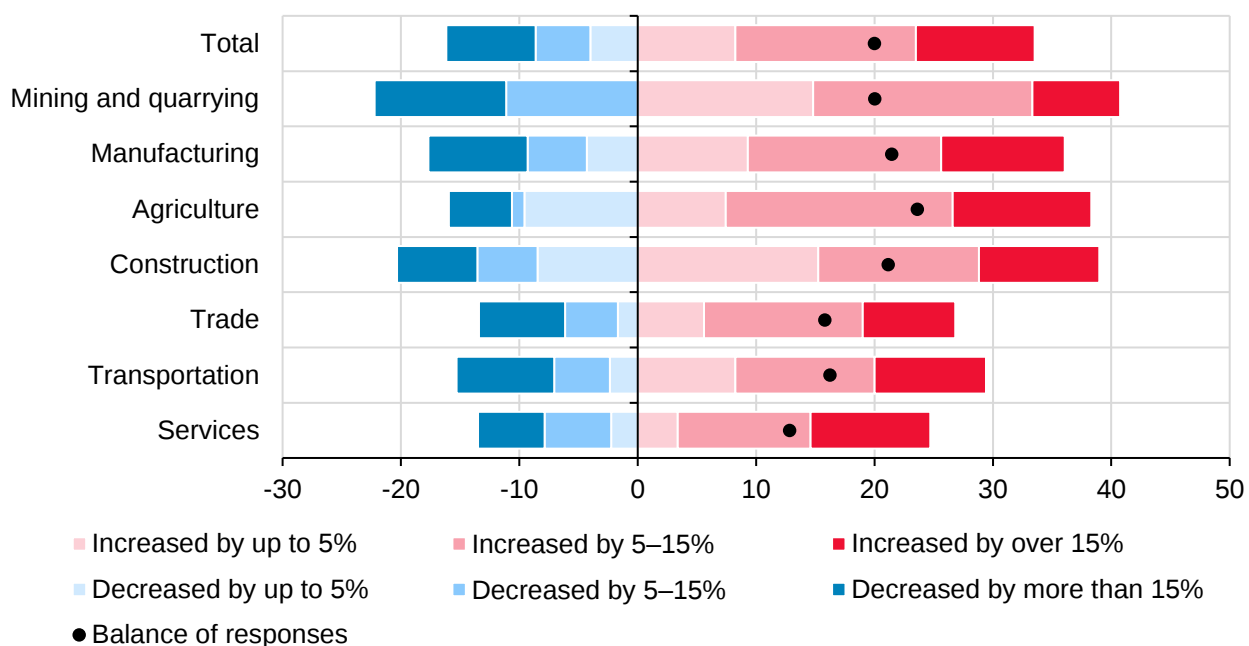
Sources: Rosstat, Bank of Russia calculations.

Chart B-2-6. Estimates of changes in investment activity, balance of responses, p, SA



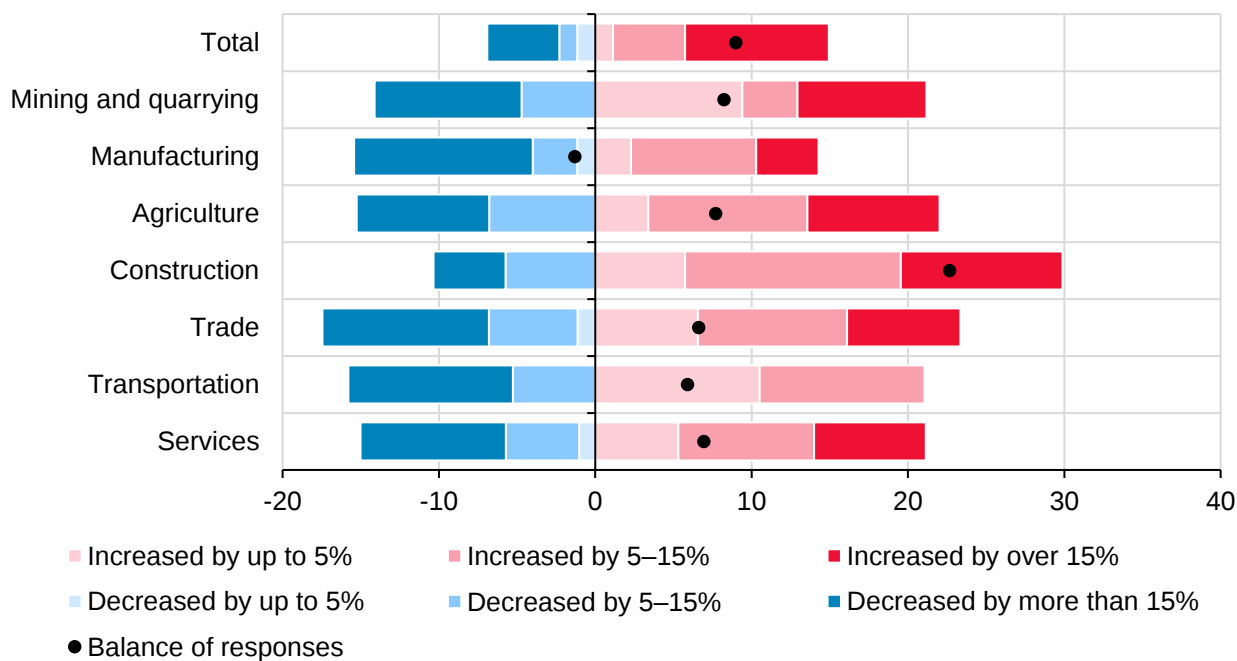
Source: Bank of Russia's monitoring of businesses.

Chart B-2-7. Companies' estimates of changes in investment activity as of end of 2025 vs 2024, % of respondents



Source: Bank of Russia's monitoring of businesses.

Chart B-2-8. Companies' estimates of changes in investment activity over entire 2025 as compared with initial targets of early 2025, % of respondents



Source: Bank of Russia's monitoring of businesses.

BOX 3

INDUSTRY FOCUS. COMMERCIAL SERVICES AND PUBLIC CATERING

The value of commercial services provided and sales in public catering has been steadily growing since 2022. Demand is boosted by increasing household incomes, the rising appeal and development of domestic tourism, and the transformation of consumer preferences. Strong demand amid limited supply in individual industries allows businesses to easily pass through growing costs to services prices. Therefore, starting from mid-2022, prices for commercial services and public catering has been rising faster than headline inflation. However, this year, growth in prices for certain services has been slowing down, largely due to the decrease in household costs and a slight decline in demand, in part because of the monetary policy measures that have already been taken.

DEMAND

The value of commercial services to households and sales in public catering has been steadily growing in Russia since 2022. This rise has been the main contributor to the increase in consumer activity over the past few months. According to the Bank of Russia, in May–July 2025, the said indicators in comparable prices exceeded the values of 2021 Q4 by around 15.8% and 45.5% SA, respectively (Charts B-3-1 and B-3-2).

As estimated by the Bank of Russia, in May–July 2025, the value of commercial services to households went up by 0.6% vs the previous three months (SA), with tourism services (primarily, those of hotels), medial and communication services being the main drivers of the growth.

The Russian tourism sector entered the transformation phase in 2022: since then, domestic tourism has been actively expanding, ousting foreign destinations from the market.⁷ According to the Bank of Russia's estimates, in May–July 2025, the value of tourism and hotel services increased almost 1.5 times and by more than a third, respectively, as compared with the 2021 Q4 level (SA). According to Rosstat's recent data, domestic tourist traffic went up by 6.3% to 78.2 million people over 2025 H1. Traditionally, Moscow, St Petersburg and the relevant regions as well as the Krasnodar Territory, the Republics of Crimea and Tatarstan remained the leading destinations in terms of the number of trips. Furthermore, rising household incomes, the developing tourism and transport infrastructure, new tourism products and tourist routes boosted tourist traffic to other Russian regions. For example, a travel company from the Chuvash Republic reported an increase by almost a third in the value of services provided in January–July 2025 as compared with the same period of 2022 amid the extensive development of river navigation in the region. According to a travel agency from the Krasnoyarsk Territory, demand for services went up by 10–15% YoY as new charter destinations emerged.

The advancement of tourism is closely related to the sales in public catering, cultural and sports services. In May–July 2025, sales in public catering increased by 2.3% vs the previous three months (SA), according to the Bank of Russia's estimates. In addition to the rise in household incomes and domestic tourism development, changing consumer preferences also

⁷ For details, see the Box 'Industry focus. Domestic tourism and passenger transport' // Regional Economy: Commentaries by Bank of Russia Main Branches No. 36. May 2025.

contributed to the uptick in demand in the sector. For example, catering outlets from the Khabarovsk Territory and the Rostov Region reported an increase in the number of guests amid expanding demand for public catering services. Fast food restaurants from the Republic of Udmurtia and the Tomsk Region recorded a rise in demand for food delivery, including via specialised platforms.

Demand for leisure services went up significantly. According to a large ticket selling service, in 2025 H1, the number of tickets sold increased by 41% YoY: sales of tickets to concerts, sports events, multimedia and interactive exhibitions went up. Overall, the value of cultural and sports services increased around 1.5 times vs 2021 Q4 (SA). In May–July 2025, it exceeded the level of the previous three months by 2.2% (SA).

Apart from the tourism sector, medical services made a significant positive contribution to the overall growth in commercial services in 2025 Q2. Demand for private medical services was fuelled by the expansion of voluntary medical insurance supported by employees interested in engaging and retaining labour.⁸ This was reported by a large health clinic from the Khabarovsk Territory, in particular. The Altai Territory recorded a rise in demand for medical services, driven by the increasing popularity of health tourism. Demand for preventive medicine and telemedicine was growing.

Demand for communication services substantially rose in May–July 2025 but remained below the 2021 Q4 level (SA). This was associated with the market saturation and limited ability to expand the subscriber base. Demand for standard services of mobile operators (calls, messages) will decrease with the development of opportunities provided by messengers.

Personal and housing and public utility services made a positive contribution to the dynamics of commercial services in May–July 2025. There was a surge in demand for certain types of personal services, such as rental, hiring and leasing services, hair and beauty services as well as housing repairs and construction services. The drivers of demand in these sectors include the development of online rental and hiring solutions, the popularity of healthy lifestyle, and pent-up demand after a rise in the sales of flats and the commissioning of individual housing, respectively. The value of services provided by beauty salons from the Khabarovsk Territory, the Samara and Tambov Regions in 2025 H1 exceeded the past years' average, due to the improvement of consumer sentiment amid increasing household incomes.

Demand for **housing and utility services** was fuelled by the increase in per capita living space, largely due to the rise in individual housing commissioning amid growing household incomes. This entailed higher housing costs.

Transportation services made the most significant negative contribution to the rise in the value of commercial services in May–July 2025. In this sector, consumption was constrained by the bans on flight to the airports of Central Russia and the South, making part of potential passengers switch to road trips. The increasing popularity of this type of travel was also associated with better road and roadside infrastructure. The decline in demand for public transportation services was triggered by the expansion of car sharing and car rentals (including electric scooters).

Individual signs of a decline in demand for services, including tourism and related services, started to manifest themselves in early 2025. For example, hospitality companies from the Republic of Udmurtia and the Samara Region reported a reduction in the value of services provided, due to a shift in travellers' preferences towards cheaper accommodation and their opting out of

⁸ For details, see the Box 'Industry focus. Private medical services' // Regional Economy: Commentaries by Bank of Russia Main Branches No. 29. July 2024.

services provided by travel agencies. Market participants also mentioned Russians' rebounding demand for foreign travel, fuelled by a stronger ruble and better accessibility of logistics options, as a reason behind the decreasing popularity of domestic tourism. Many public catering enterprises reported that customers were choosing cheaper options (food courts, fast food, ready meals from supermarkets, etc.). Providers of medical and certain personal services also complained about the decrease in the number of customers as the latter preferred to save.

SUPPLY

Growing demand for services encouraged companies to offer new formats and products. For example, in public catering, substantial progress was recorded by delivery services, including the development of the new option 'dark kitchen' (a catering concept tailored solely to delivery), vending businesses, and producers of healthy food. Travel companies offered new types of travel, including year-round ecotourism. Private medical centres and beauty salons were expanding the range of services.

However, various supply-side constraints persisted in a number of segments of the services sector, pushing up prices. Demand for domestic tourism notably exceeded the potential to increase supply. In such conditions, there was a significant rise in both the number and housing capacity of hotels and public catering outlets (Chart B-3-3). According to Rosstat data, the number of public catering outlets went up to 206,000 (+9% vs 2021) as of the end of 2024, largely on account of fast food chains. The number of hotels and other accommodation facilities increased to 33,100 (+14% vs 2021) over the same period. However, regardless of the extensive development of the tourism infrastructure, the current options provided by the tourism sector were insufficient for the rising demand to be fully met.

Further expansion of services was constrained by labour shortages. According to the Bank of Russia's monitoring of businesses, 16% of services companies mentioned the lack of employees as a constraint on the current activity in 2025 Q2. Labour shortages were the most acute in healthcare, hospitality, and public catering.

This resulted in insufficient supply in individual segments of the services and public catering sectors and a rise in wages, which companies translated into prices, along with costs of raw materials, spare parts, equipment, and rent, amid increasing demand.

According to the Bank of Russia's monitoring of businesses, services companies' price expectations (SA) edged up in August 2025 and substantially exceeded the 2017–2019 values, when inflation was close to the target.

Various government programmes were implemented to support the services sector. To address issues with the capacity of air transport, a large-scale modernisation programme was implemented to upgrade the national airport network. In 2024, a comprehensive programme to upgrade the housing infrastructure worth ₽4.5 trillion was launched to renovate at least 150,000 km of utility lines. In healthcare, the upgrade of primary care facilities, which had started in 2021, continued. It involved the renovation and construction of new hospitals, clinics, and midwife centres, and the purchase of new equipment for them.

PRICES

Prices for commercial and public catering services started to make a significant contribution to the deviation of the annual consumer price index from the target of 4% in 2022 (Chart B-3-4). Of all commercial services, tourism services in general became significantly more expensive over the past three years (Chart B-3-5). According to Rosstat data, prices for them were

highly volatile and increased 1.4 times more notably than those for all goods and services over the said period.

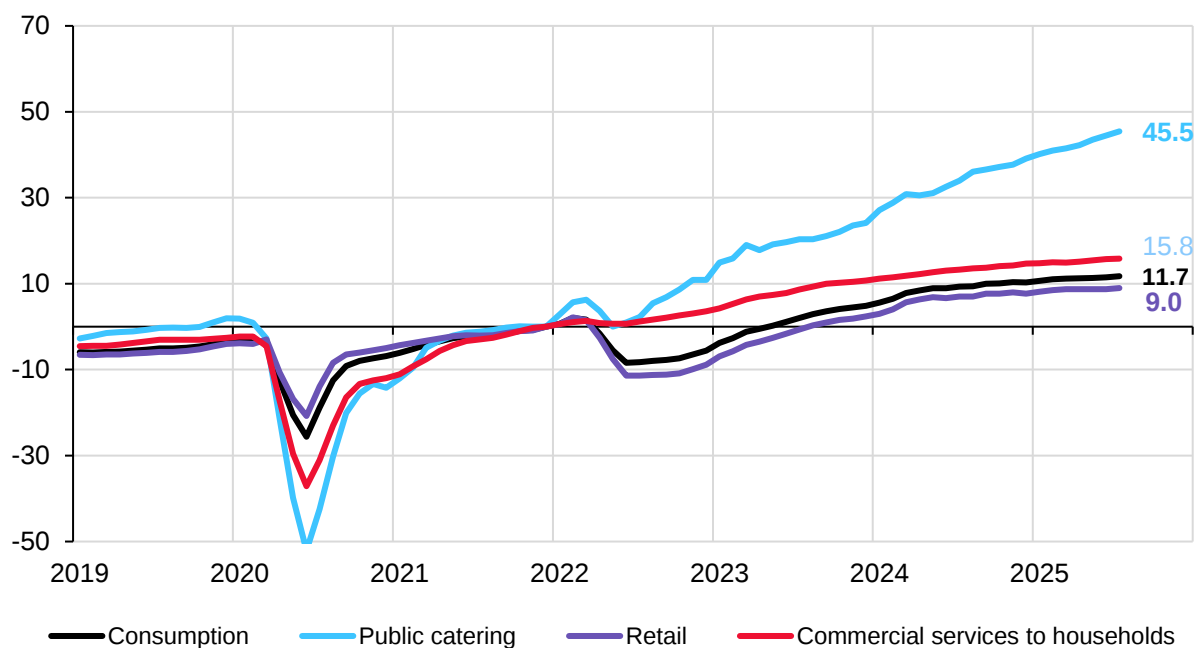
Annual inflation continued to grow at a double-digit pace. In July 2025, services prices went up by 11.9% YoY and prices for public catering – by 12.4%, with current growth rates being equal to 24.2%⁹ and 14.3% (SAAR), respectively, which points to persistent pressure from the demand-side and supply-side factors described above. The overall contribution of services and public catering to annual inflation amounted to 3.6 pp, with housing and utility services, personal and other services being the most significant drivers of the rise in prices (Chart B-3-6).

The annual increase in prices for tourism services slowed down overall to 7.7% in July 2025. The current growth rate became negative (-28.8% SAAR) as a result of a gradual decline in demand in the tourism sector. Domestic tourism services and transportation services made the largest contribution to the annual rise in consumer prices in July 2025 (around 0.1 pp in each case out of 0.3 pp recorded for the overall tourism services).

In 2025, demand for commercial services and public catering services remains elevated. Its expansion outstrips the potential to increase supply. This puts pressure on prices amid higher costs and labour shortages. As demand cools down, in part due to the monetary policy measures already implemented, the proinflationary trends in these sectors will be weakening until the end of 2025. However, the fundamental factors of growth in demand relating to changing consumer preferences will be fuelling services consumption.

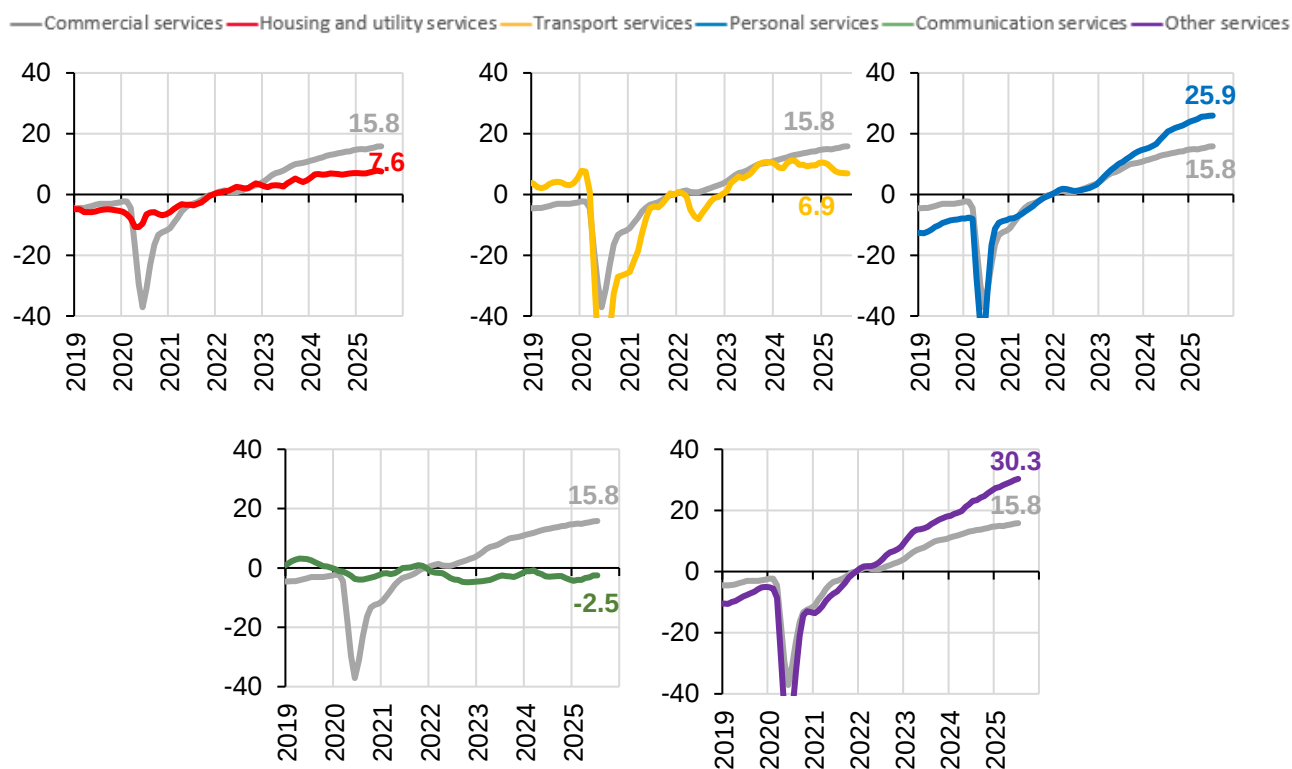
⁹ In July 2025, utility rates were indexed. According to Rosstat, the growth rate averaged 13.2%. Subject to the seasonal adjustment (SA), the July price increase included all indexation exceeding the inflation target of 4%. As a result, growth of utility rates amounted to 9.2% (SA).

Chart B-3-1. Consumption,* 3MMA, SA, % on 2021 Q4



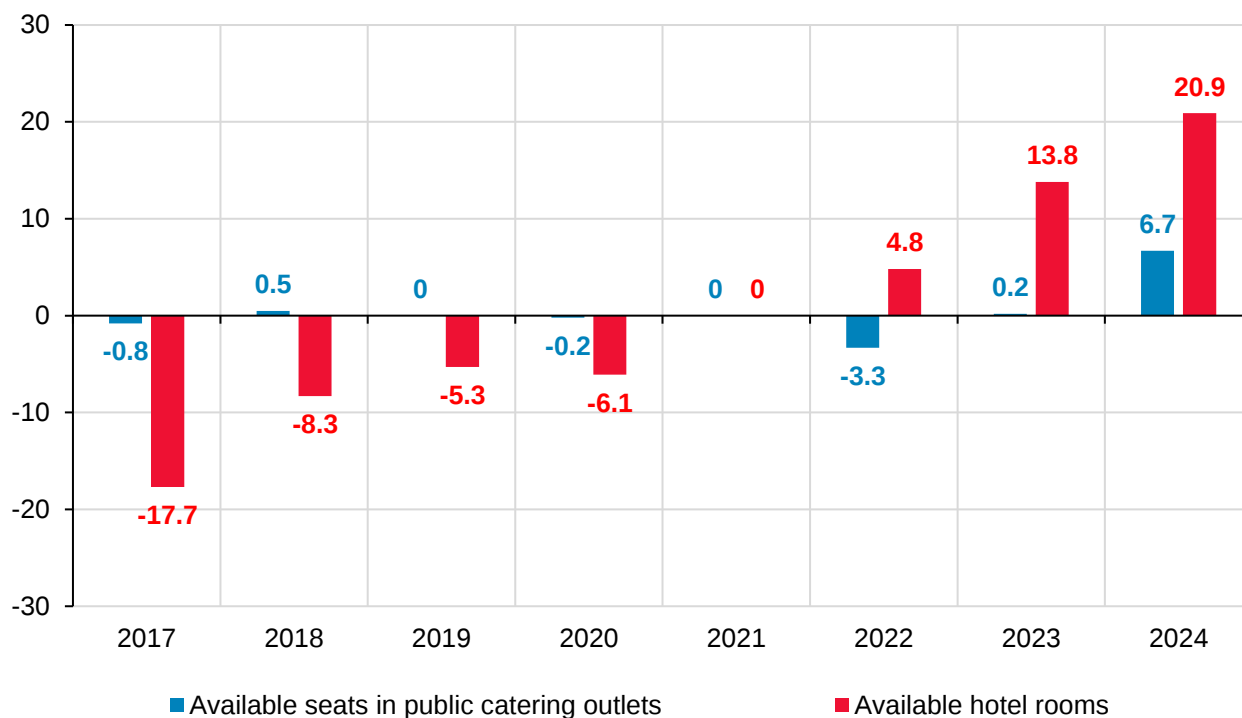
* Weighted growth rates of sales in retail trade and public catering and of the value of commercial services.
Sources: Rosstat, Bank of Russia calculations.

Chart B-3-2. Value of commercial services, 3MMA, SA, % on 2021 Q4



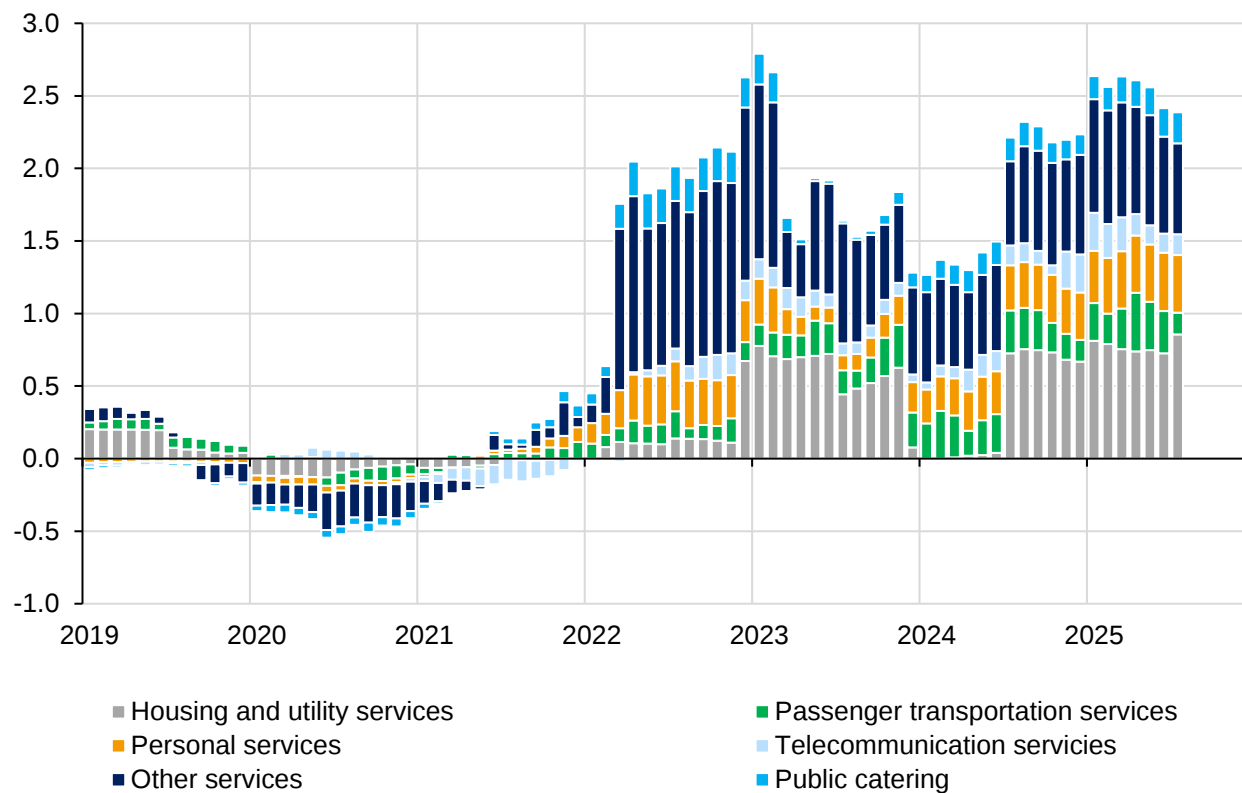
Sources: Rosstat, Bank of Russia calculations.

Chart B-3-3. Available hotel rooms and seats in public catering outlets, % on 2021



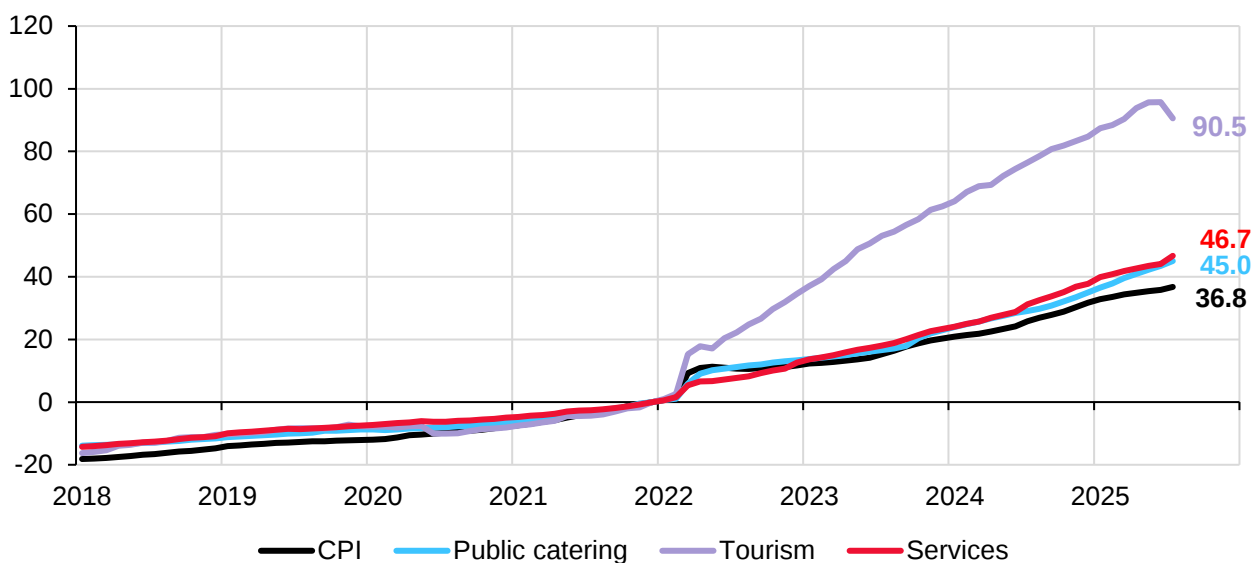
Sources: Rosstat, Bank of Russia calculations.

Chart B-3-4. Contribution of change in prices for commercial services and public catering services to deviation of annual CPI growth from 4%, pp



Sources: Rosstat, Bank of Russia calculations.

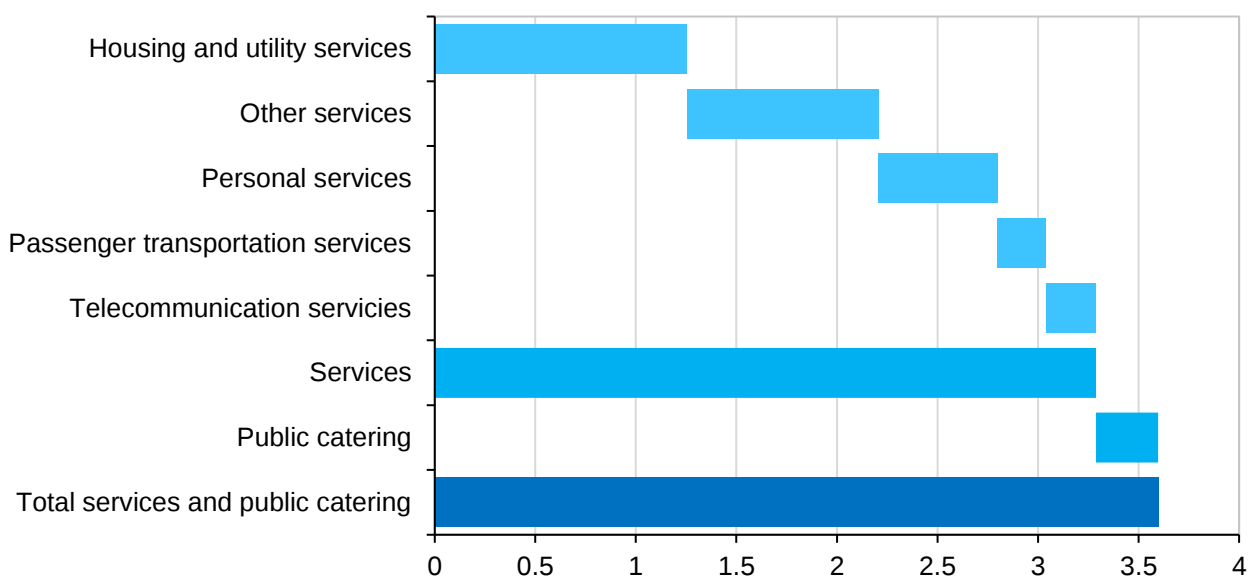
Chart B-3-5. Consumer price index, % growth on December 2021, SA



The category 'Tourism' includes domestic and foreign travel services, air and rail transport, services of hotels and other accommodation facilities.

Sources: Rosstat, Bank of Russia calculations.

Chart B-3-6. Contribution of commercial services components and public catering to annual growth in consumer prices in July 2025, pp



Sources: Rosstat, Bank of Russia calculations.

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ANNEX 1

CORE ECONOMIC INDICATORS

Core indicators. Russia

Table 1

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	7.4	9.5	8.6	8.6	9.5	10.3	9.4	9.4	8.8	
Core inflation	% YoY	6.8	8.9	8.7	8.3	8.9	9.7	8.7	8.7	8.5	
Industrial production	3MMA, % YoY	4.3	5.6	5.2	3.8	6.9	0.1	1.5	1.5	1.3	
Fixed capital investment	Cumulative, % YoY	9.8	7.4	11.2	9.0	7.4	8.7	4.3			
Construction	3MMA, % YoY	9.0	2.1	2.9	0.1	3.3	6.9	2.4	2.4	1.2	
Housing commissioning	3MMA, % YoY	7.5	-2.4	3.8	0.4	-13.3	8.9	-16.2	-16.2	-17.9	
Retail	3MMA, % YoY	8.0	7.7	8.5	6.4	5.2	2.6	1.6	1.6	1.7	
Commercial services	3MMA, % YoY	6.9	4.3	5.0	3.4	3.9	2.4	2.4	2.4	2.1	
Real wages	3MMA, % YoY	8.2	9.7	7.8	8.1	9.0	3.1	4.6	4.6		
Real disposable income	% YoY	6.5	8.4	8.1	11.6	7.5	8.3	5.6			
Unemployment	% SA	3.2	2.5	2.6	2.5	2.3	2.3	2.2	2.2	2.2	
Outstanding consumer loans	% YoY	16.3	4.1	19.4	15.0	4.1	-2.3	-8.7	-8.7	-9.2	
Outstanding mortgage loans	% YoY	30.1	6.6	24.8	13.8	6.6	4.2	1.3	1.3	1.4	
Funds in escrow accounts	% YoY	38.4	9.9	47.9	27.5	9.9	12.1	1.2	1.2	1.3	
Non-financial organisations' outstanding bank loans	% YoY	24.6	18.5	24.0	21.4	18.5	14.9	11.9	11.9		
• Large borrowers	% YoY	23.6	18.9	23.5	21.1	18.9	14.9	12.6	12.6		
• SMEs	% YoY	28.9	16.5	25.8	23.0	16.5	15.1	9.1	9.1		
Companies' price expectations	Balance of responses, p, SA	19.6	22.2	21.0	22.3	25.5	23.4	18.7	18.3	18.2	19.0
Business Climate Index	p, SA	6.8	7.4	10.4	6.0	4.9	4.6	4.1	2.9	1.3	2.1
• Current estimates	p, SA	1.1	1.5	5.4	0.4	-1.5	-1.8	-2.5	-3.0	-5.3	-5.1
• Expectations	p, SA	12.7	13.5	15.5	11.8	11.4	11.3	10.9	8.9	8.2	9.6

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Main Branch for the Central Federal District

Table 2

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	7.4	9.9	8.8	9.2	9.9	9.9	8.6	8.6	8.1	
Core inflation	% YoY	7.0	9.0	9.0	8.6	9.0	8.8	7.5	7.5	7.4	
Industrial production	3MMA, % YoY	16.1	14.7	15.6	13.4	17.8	5.8	4.2	4.2	4.2	
Fixed capital investment	Cumulative, % YoY	8.2	4.1	5.5	6.5	4.1	10.8	6.3			
Construction	3MMA, % YoY	10.3	-2.1	-2.0	-5.2	-0.7	8.3	5.8	5.8	5.2	
Housing commissioning	3MMA, % YoY	0.3	-8.2	-3.1	6.0	-14.9	30.6	-9.1	-9.1	-16.7	
Retail	3MMA, % YoY	6.7	6.8	7.4	5.5	3.8	2.1	-0.03	-0.03	-0.7	
Commercial services	3MMA, % YoY	9.6	4.0	5.9	2.0	2.4	2.4	1.6	1.6	0.9	
Real wages	3MMA, % YoY	6.8	9.6	7.5	8.0	9.5	3.0	5.9	5.9		
Real disposable income	% YoY	7.9	10.5	9.5	15.0	7.7	9.0	8.1			
Unemployment	% SA	2.5	1.8	1.8	1.7	1.6	1.6	1.4	1.4	1.4	
Outstanding consumer loans	% YoY	16.0	2.8	18.9	14.2	2.8	-2.8	-9.4	-9.4	-9.8	
Outstanding mortgage loans	% YoY	25.0	4.8	21.3	11.5	4.8	4.5	2.2	2.2	2.6	
Funds in escrow accounts	% YoY	24.9	13.2	38.4	24.4	13.2	12.5	4.2	4.2	5.2	
Non-financial organisations' outstanding bank loans	% YoY	24.5	20.3	22.3	21.1	20.3	15.5	12.2	12.2		
• Large borrowers	% YoY	24.2	20.1	22.1	20.1	20.1	14.7	12.1	12.1		
• SMEs	% YoY	26.2	21.1	23.1	26.2	21.1	19.8	12.5	12.5		
Companies' price expectations	Balance of responses, p, SA	23.8	26.1	24.6	25.9	30.1	27.6	21.2	20.1	21.7	21.9
Business Climate Index	p, SA	6.0	6.2	7.9	3.7	4.4	4.2	1.8	0.6	-0.9	0.7
• Current estimates	p, SA	0.6	0.5	3.4	-1.3	-2.0	-2.4	-4.9	-5.8	-9.2	-8.1
• Expectations	p, SA	11.6	12.0	12.6	8.8	11.0	11.1	8.7	7.3	7.8	9.8

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Bank of Russia North-Western Main Branch

Table 3

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	7.1	9.3	8.1	8.1	9.3	10.4	9.6	9.6	9.2	
Core inflation	% YoY	6.4	8.8	8.3	8.1	8.8	9.8	9.1	9.1	9.0	
Industrial production	3MMA, % YoY	5.3	8.4	4.9	8.7	10.3	0.7	1.6	1.6	-1.1	
Fixed capital investment	Cumulative, % YoY	8.7	15.6	13.3	9.9	15.6	24.3	17.0			
Construction	3MMA, % YoY	6.1	3.5	10.4	-6.2	10.3	15.0	1.6	1.6	-0.7	
Housing commissioning	3MMA, % YoY	1.7	-8.7	-17.7	-4.8	-22.6	-1.2	-1.0	-1.0	-11.5	
Retail	3MMA, % YoY	13.1	6.5	6.9	4.7	4.2	0.7	0.6	0.6	1.1	
Commercial services	3MMA, % YoY	10.2	2.4	3.7	2.2	1.1	2.6	3.3	3.3	3.5	
Real wages	3MMA, % YoY	6.1	7.8	5.4	6.1	6.8	2.1	3.4	3.4		
Real disposable income	% YoY	5.4	8.7	9.2	9.1	5.5	8.8	5.3			
Unemployment	% SA	2.7	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.0	
Outstanding consumer loans	% YoY	13.5	1.4	15.8	11.5	1.4	-3.9	-9.5	-9.5	-9.8	
Outstanding mortgage loans	% YoY	23.0	3.5	19.3	10.2	3.5	1.6	0.1	0.1	0.3	
Funds in escrow accounts	% YoY	25.7	-12.0	27.1	6.7	-12.0	8.7	2.4	2.4	5.2	
Non-financial organisations' outstanding bank loans	% YoY	29.6	14.7	33.0	22.1	14.7	10.8	8.5	8.5		
• Large borrowers	% YoY	32.3	18.0	34.3	26.2	18.0	12.4	10.1	10.1		
• SMEs	% YoY	16.3	-4.0	25.5	0.2	-4.0	1.4	-0.6	-0.6		
Companies' price expectations	Balance of responses, p, SA	20.0	25.4	24.1	26.6	30.1	26.8	23.4	24.4	21.4	24.4
Business Climate Index	p, SA	3.3	4.9	7.7	4.4	2.0	2.5	3.2	1.7	-0.4	-0.03
• Current estimates	p, SA	-1.7	-0.6	2.5	-0.4	-3.4	-4.4	-3.4	-3.6	-7.8	-8.7
• Expectations	p, SA	8.5	10.7	13.1	9.2	7.6	9.7	10.1	7.2	7.2	9.0

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Volga-Vyatka Main Branch

Table 4

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	7.1	9.6	8.2	8.4	9.6	10.8	10.2	10.2	9.6	
Core inflation	% YoY	6.6	9.2	8.2	8.0	9.2	10.7	10.0	10.0	9.9	
Industrial production	3MMA, % YoY	8.9	8.3	7.6	7.8	8.1	4.2	4.0	4.0	5.7	
Fixed capital investment	Cumulative, % YoY	17.9	6.2	15.5	5.7	6.2	18.5	7.6			
Construction	3MMA, % YoY	11.6	-1.7	1.9	-6.7	-5.3	-0.1	-4.8	-4.8	-3.0	
Housing commissioning	3MMA, % YoY	9.9	1.3	-1.0	-8.7	5.2	-9.1	-21.8	-21.8	-8.5	
Retail	3MMA, % YoY	9.8	8.1	8.7	7.5	5.6	3.6	2.6	2.6	2.3	
Commercial services	3MMA, % YoY	4.5	5.5	7.1	4.9	4.2	1.7	3.9	3.9	4.4	
Real wages	3MMA, % YoY	11.8	12.8	10.2	12.0	12.6	6.4	6.2	6.2		
Real disposable income	% YoY	6.0	8.4	7.9	9.3	5.8	7.5	5.9			
Unemployment	% SA	2.4	1.9	1.9	1.8	1.7	1.6	1.6	1.6	1.6	
Outstanding consumer loans	% YoY	17.8	6.7	22.2	18.3	6.7	-1.1	-7.5	-7.5	-7.9	
Outstanding mortgage loans	% YoY	32.1	7.3	26.9	14.8	7.3	3.7	-0.1	-0.1	-0.3	
Funds in escrow accounts	% YoY	47.9	9.5	63.3	35.6	9.5	15.2	-0.8	-0.8	-5.3	
Non-financial organisations' outstanding bank loans	% YoY	18.3	22.8	16.7	21.6	22.8	21.0	18.3	18.3		
• Large borrowers	% YoY	12.2	33.2	12.8	27.2	33.2	32.7	30.5	30.5		
• SMEs	% YoY	32.5	1.5	25.0	9.7	1.5	-1.8	-4.8	-4.8		
Companies' price expectations	Balance of responses, p, SA	23.5	25.9	25.7	26.2	28.6	27.5	21.2	20.3	18.9	21.9
Business Climate Index	p, SA	8.4	9.2	14.3	7.7	5.3	4.4	3.2	1.6	2.3	4.2
• Current estimates	p, SA	2.6	3.8	9.7	1.9	-0.9	-1.0	-2.6	-5.0	-5.0	-2.1
• Expectations	p, SA	14.3	14.7	19.1	13.7	11.7	9.9	9.1	8.3	9.9	10.7

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Bank of Russia Southern Main Branch

Table 5

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	7.8	9.6	8.7	8.6	9.6	10.8	9.9	9.9	8.9	
Core inflation	% YoY	6.8	8.8	8.7	8.0	8.8	9.9	9.2	9.2	8.8	
Industrial production	3MMA, % YoY	4.3	3.8	4.6	0.2	1.5	-5.9	1.1	1.1	-2.2	
Fixed capital investment	Cumulative, % YoY	11.4	7.8	10.1	12.8	7.8	6.0	5.2			
Construction	3MMA, % YoY	9.1	7.6	8.0	18.6	9.8	4.9	-9.6	-9.6	-3.2	
Housing commissioning	3MMA, % YoY	11.3	3.0	37.6	-1.9	-23.1	8.8	-31.5	-31.5	-26.4	
Retail	3MMA, % YoY	10.5	6.5	8.6	4.2	2.7	1.1	2.8	2.8	3.5	
Commercial services	3MMA, % YoY	3.2	5.4	4.6	5.0	6.6	3.4	2.9	2.9	2.4	
Real wages	3MMA, % YoY	8.1	9.6	9.6	8.1	7.5	3.6	1.5	1.5		
Real disposable income	% YoY	4.6	7.9	9.8	9.2	4.2	7.3	6.2			
Unemployment	% SA	5.3	4.6	4.7	4.6	4.3	4.2	4.2	4.2	4.1	
Outstanding consumer loans	% YoY	19.8	8.7	24.6	19.7	8.7	1.2	-5.8	-5.8	-6.1	
Outstanding mortgage loans	% YoY	43.4	11.6	35.3	21.8	11.6	8.1	3.7	3.7	3.9	
Funds in escrow accounts	% YoY	106	20.7	95.0	54.7	20.7	11.8	-9.7	-9.7	-9.7	
Non-financial organisations' outstanding bank loans	% YoY	21.0	21.1	19.2	22.6	21.1	17.3	16.7	16.7		
• Large borrowers	% YoY	8.5	15.5	4.5	14.9	15.5	12.2	17.0	17.0		
• SMEs	% YoY	46.8	29.9	45.6	35.9	29.9	24.7	16.3	16.3		
Companies' price expectations	Balance of responses, p, SA	17.0	20.0	18.5	20.7	24.5	21.1	17.7	16.6	16.8	17.6
Business Climate Index	p, SA	6.4	8.9	10.1	7.9	8.3	8.1	7.1	5.7	5.5	5.9
• Current estimates	p, SA	0.2	2.5	4.3	2.3	1.5	1.4	0.8	-0.4	-0.8	-1.5
• Expectations	p, SA	12.7	15.5	16.0	13.8	15.3	15.0	13.6	11.9	12.0	13.6

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Ural Main Branch

Table 6

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	6.7	9.0	8.0	8.0	9.0	10.1	9.5	9.5	9.1	
Core inflation	% YoY	6.0	8.5	7.9	7.7	8.5	9.7	9.0	9.0	8.9	
Industrial production	3MMA, % YoY	2.8	1.9	1.9	1.5	1.4	-2.4	-1.2	-1.2	-1.4	
Fixed capital investment	Cumulative, % YoY	5.6	8.8	16.5	12.0	8.8	-4.9	-8.6			
Construction	3MMA, % YoY	5.6	2.8	4.3	-1.4	1.0	0.6	-1.9	-1.9	-6.3	
Housing commissioning	3MMA, % YoY	9.3	0.6	-3.6	-4.5	-2.2	-6.1	-8.7	-8.7	-15.3	
Retail	3MMA, % YoY	9.0	10.7	10.9	10.2	9.3	2.7	1.2	1.2	2.1	
Commercial services	3MMA, % YoY	5.8	6.3	3.8	7.7	9.1	3.1	7.0	7.0	5.6	
Real wages	3MMA, % YoY	10.3	10.0	7.8	8.2	9.4	1.7	3.8	3.8		
Real disposable income	% YoY	7.1	8.4	7.3	4.9	10.0	6.0	3.8			
Unemployment	% SA	2.5	1.9	1.9	1.8	1.6	1.6	1.5	1.5	1.6	
Outstanding consumer loans	% YoY	16.4	5.2	19.6	15.3	5.2	-1.7	-8.1	-8.1	-8.6	
Outstanding mortgage loans	% YoY	32.6	6.4	25.5	12.7	6.4	3.7	0.7	0.7	0.6	
Funds in escrow accounts	% YoY	69.3	5.9	67.4	34.6	5.9	11.5	-4.5	-4.5	-6.7	
Non-financial organisations' outstanding bank loans	% YoY	19.0	15.6	17.3	17.8	15.6	17.8	14.5	14.5		
• Large borrowers	% YoY	14.2	14.7	14.3	15.5	14.7	17.8	14.9	14.9		
• SMEs	% YoY	44.6	20.0	31.2	28.6	20.0	17.9	13.0	13.0		
Companies' price expectations	Balance of responses, p, SA	18.9	18.2	17.0	15.6	21.1	12.8	10.8	14.8	14.5	11.2
Business Climate Index	p, SA	8.1	6.5	7.1	4.2	5.3	3.0	-2.8	-5.5	-8.3	-8.0
• Current estimates	p, SA	3.9	1.0	2.3	-1.2	-1.3	-0.03	-7.1	-9.4	-12.8	-13.6
• Expectations	p, SA	12.5	12.2	12.0	9.8	12.1	6.1	1.6	-1.5	-3.7	-2.3

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Siberian Main Branch

Table 7

		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	8.2	9.5	9.2	8.8	9.5	11.0	10.3	10.3	9.2	
Core inflation	% YoY	7.6	9.5	9.5	8.8	9.5	10.8	9.8	9.8	9.3	
Industrial production	3MMA, % YoY	0.9	2.2	1.6	2.1	2.5	-2.2	-2.5	-2.5	-1.3	
Fixed capital investment	Cumulative, % YoY	6.9	4.7	5.8	4.9	4.7	16.0	9.6			
Construction	3MMA, % YoY	2.7	-3.8	1.5	-11.6	-2.4	6.6	5.7	5.7	3.8	
Housing commissioning	3MMA, % YoY	22.4	0.1	-1.5	13.9	-16.6	23.8	-16.6	-16.6	-22.9	
Retail	3MMA, % YoY	8.7	9.6	10.6	8.8	7.2	2.8	3.2	3.2	3.7	
Commercial services	3MMA, % YoY	6.0	3.5	4.0	3.2	3.5	2.1	0.5	0.5	0.7	
Real wages	3MMA, % YoY	9.7	8.2	7.3	7.1	7.0	1.6	3.0	3.0		
Real disposable income	% YoY	6.3	7.2	7.0	8.6	4.1	6.6	4.1			
Unemployment	% SA	3.6	3.0	3.0	2.8	2.9	3.1	2.9	2.9	2.8	
Outstanding consumer loans	% YoY	15.5	2.4	17.5	13.7	2.4	-4.2	-10.5	-10.5	-11.3	
Outstanding mortgage loans	% YoY	33.0	6.6	26.4	14.3	6.6	2.3	-1.0	-1.0	-0.9	
Funds in escrow accounts	% YoY	67.9	5.2	70.9	32.3	5.2	1.0	-6.3	-6.3	-4.7	
Non-financial organisations' outstanding bank loans	% YoY	29.7	13.5	38.0	21.9	13.5	11.7	7.6	7.6		
• Large borrowers	% YoY	34.6	13.8	51.1	23.4	13.8	13.0	9.1	9.1		
• SMEs	% YoY	16.7	12.3	10.0	17.2	12.3	7.6	3.1	3.1		
Companies' price expectations	Balance of responses, p, SA	18.8	21.4	19.8	20.9	25.2	22.3	15.9	16.3	15.6	16.6
Business Climate Index	p, SA	10.0	8.7	11.9	7.6	6.0	3.8	2.5	2.2	0.8	3.4
• Current estimates	p, SA	3.5	1.4	5.2	-0.2	-1.1	-3.6	-6.7	-6.7	-8.9	-6.5
• Expectations	p, SA	16.7	16.4	18.8	15.7	13.4	11.6	12.0	11.4	11.0	13.7

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MBs.

Core indicators. Far Eastern Main Branch

Table 8

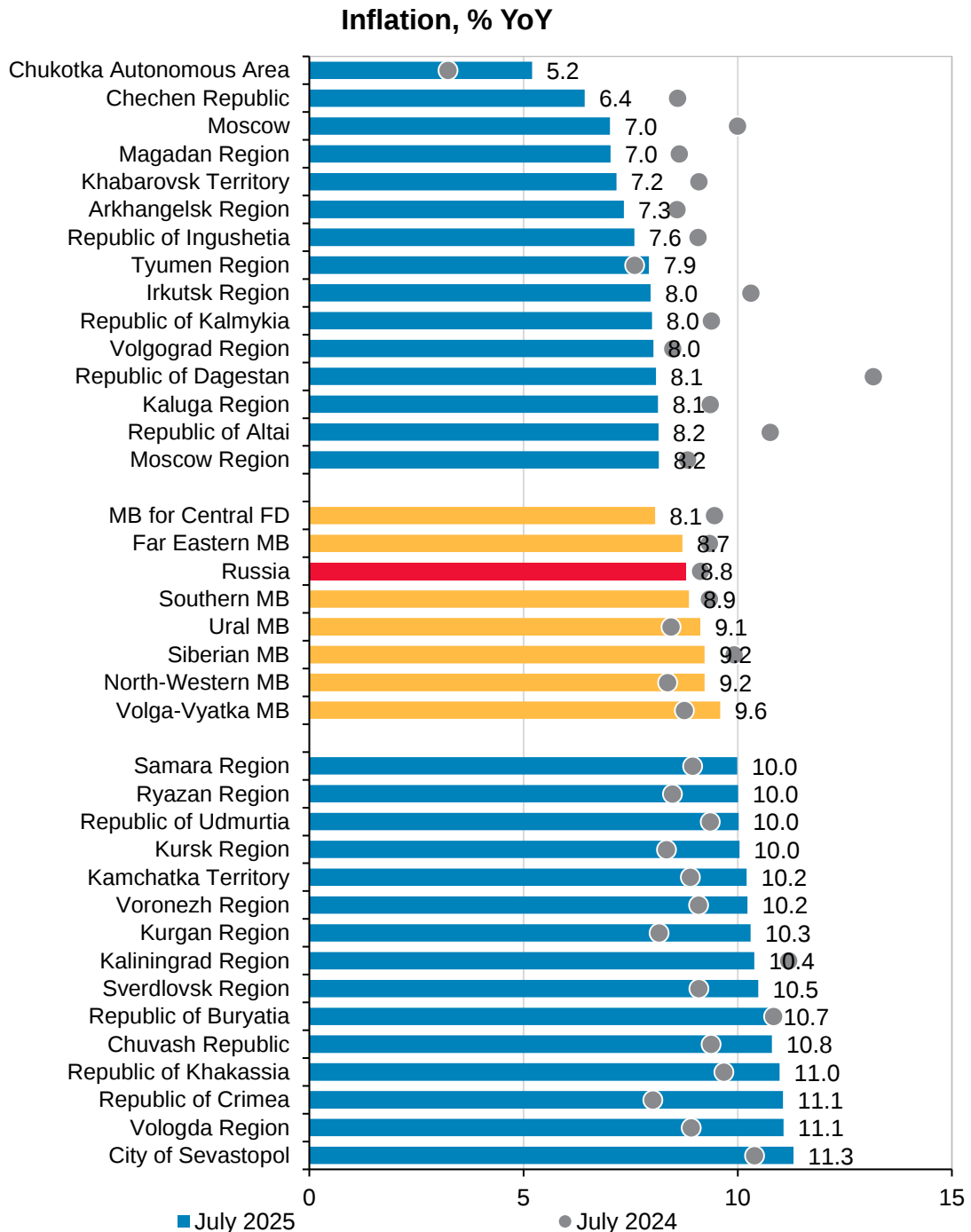
		2023	2024	2024	2024	2024	2025	2025	Jun	Jul	Aug
				Q2	Q3	Q4	Q1	Q2			
Inflation	% YoY	8.0	8.5	9.1	8.3	8.5	9.5	9.0	9.0	8.7	
Core inflation	% YoY	8.3	8.2	10.1	8.5	8.2	9.0	7.8	7.8	7.7	
Industrial production	3MMA, % YoY	6.3	3.4	1.5	2.6	4.3	2.3	0.8	0.8	0.3	
Fixed capital investment	Cumulative, % YoY	20.6	9.1	18.7	12.4	9.1	8.1	3.8			
Construction	3MMA, % YoY	25.5	-3.8	-8.0	-9.3	-2.0	15.0	-2.8	-2.8	-4.3	
Housing commissioning	3MMA, % YoY	21.4	1.7	18.8	0.04	-11.3	-9.1	-8.7	-8.7	-14.6	
Retail	3MMA, % YoY	3.9	8.2	9.1	8.5	8.5	8.9	4.3	4.3	4.2	
Commercial services	3MMA, % YoY	1.7	1.3	1.4	0.6	-0.4	-3.2	-2.3	-2.3	-2.1	
Real wages	3MMA, % YoY	6.8	7.9	5.7	4.5	6.0	3.6	3.7	3.7		
Real disposable income	% YoY	3.7	5.9	10.2	6.1	1.9	8.3	6.9			
Unemployment	% SA	3.0	2.4	2.5	2.3	2.3	2.2	2.0	2.0	2.0	
Outstanding consumer loans	% YoY	12.5	0.7	14.4	10.6	0.7	-5.1	-11.5	-11.5	-12.1	
Outstanding mortgage loans	% YoY	32.8	10.4	26.0	17.3	10.4	5.5	3.6	3.6	2.3	
Funds in escrow accounts	% YoY	46.0	19.5	41.9	30.5	19.5	32.8	18.8	18.8	14.1	
Non-financial organisations' outstanding bank loans	% YoY	32.3	13.8	33.9	29.1	13.8	8.1	5.0	5.0		
• Large borrowers	% YoY	33.7	14.3	36.9	27.4	14.3	7.4	5.1	5.1		
• SMEs	% YoY	26.3	11.7	22.2	37.7	11.7	11.4	4.5	4.5		
Companies' price expectations	Balance of responses, p, SA	15.2	16.6	16.1	16.3	19.9	17.2	14.0	12.5	13.6	14.4
Business Climate Index	p, SA	6.8	8.0	10.9	7.1	6.6	7.2	6.8	6.6	6.3	7.0
• Current estimates	p, SA	0.5	3.2	7.7	1.5	0.5	3.7	2.0	3.5	3.3	3.4
• Expectations	p, SA	13.3	13.0	14.1	12.9	12.8	10.8	11.8	9.8	9.4	10.7

Sources: Bank of Russia's monitoring of businesses, Rosstat, calculations by Bank of Russia MB

ANNEX 2

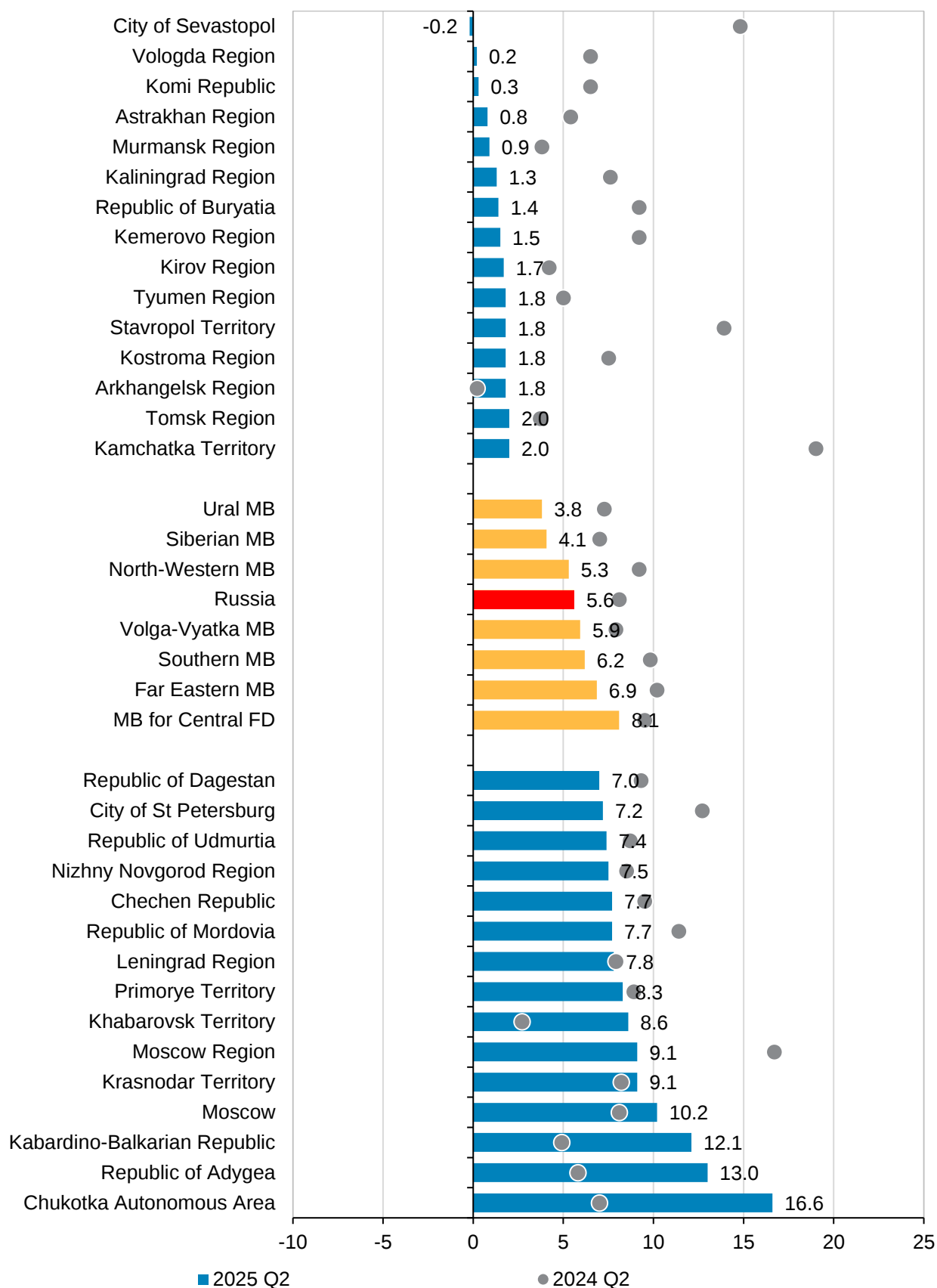
CORE ECONOMIC INDICATORS BY REGION

The graphs in Annex 2 contain values for all MBs, Russia as a whole, 15 regions with the highest values of the relevant indicators and 15 regions with the lowest ones.



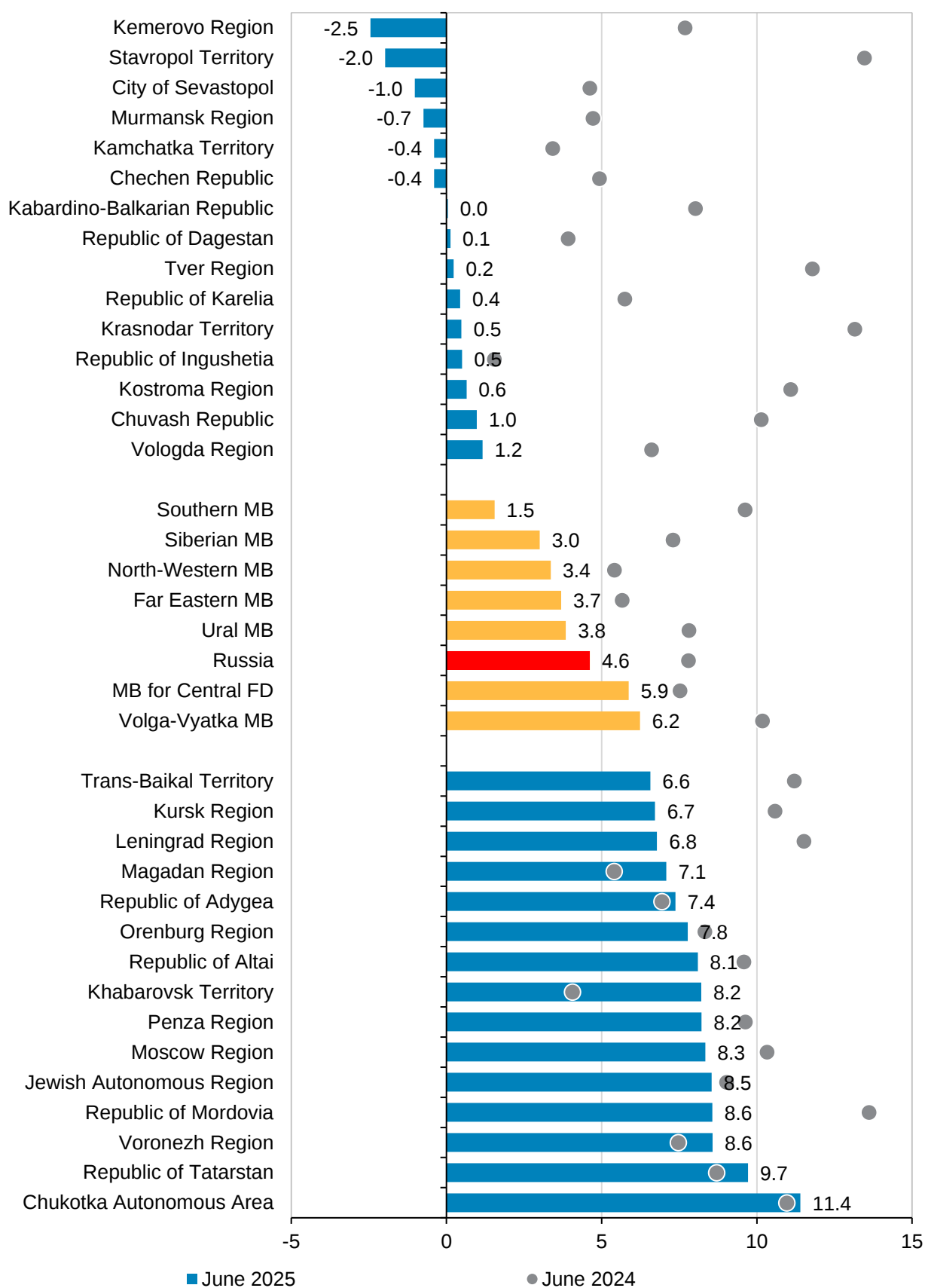
Sources: Rosstat, calculations by Bank of Russia MBs.

Real disposable income, % YoY



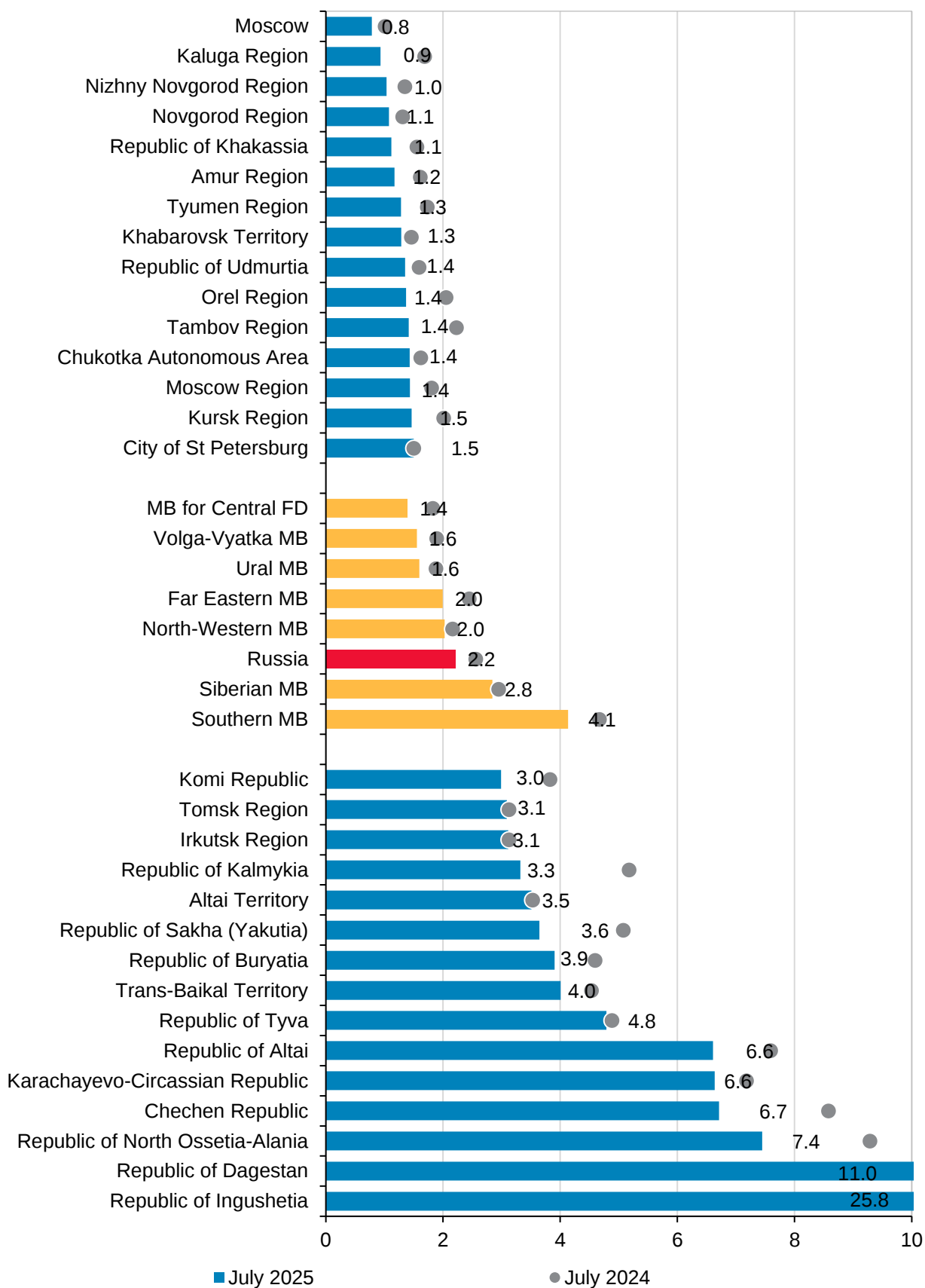
Sources: Rosstat, calculations by Bank of Russia MBs.

Real wages, 3MMA, % YoY



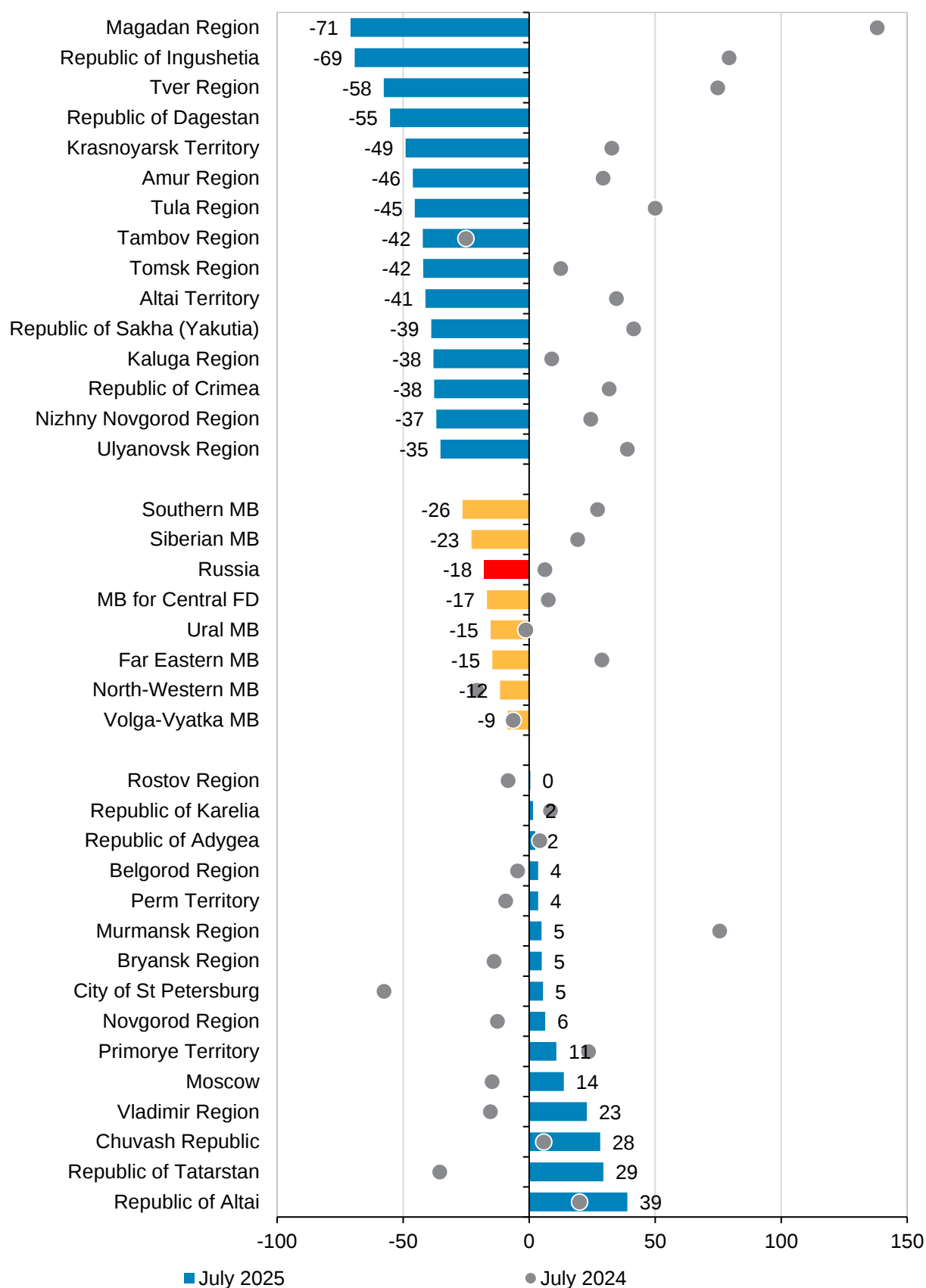
Sources: Rosstat, calculations by Bank of Russia MBs.

Unemployment, % SA

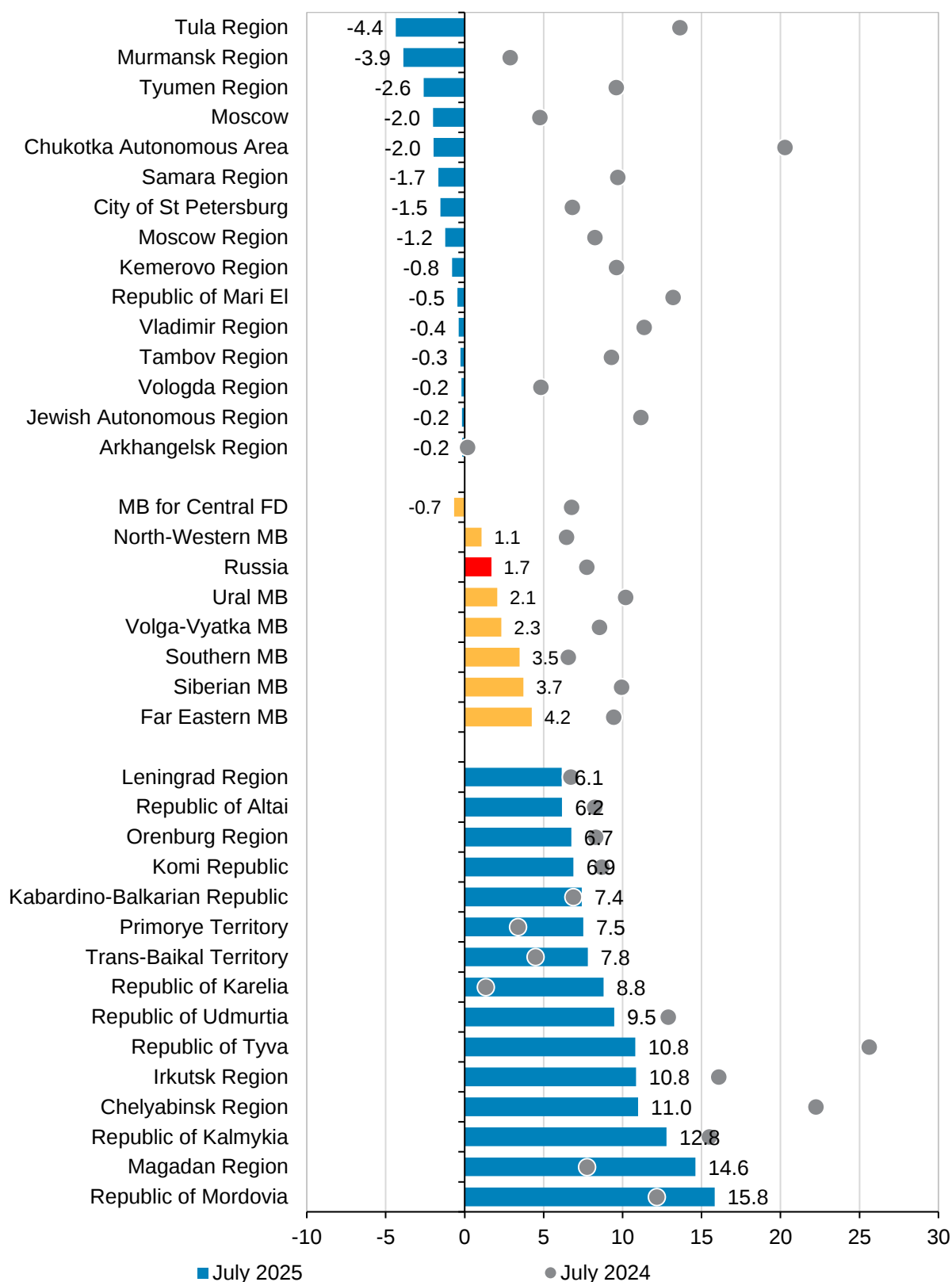


Sources: Rosstat, calculations by Bank of Russia MBs.

Housing commissioning, 3MMA, % YoY

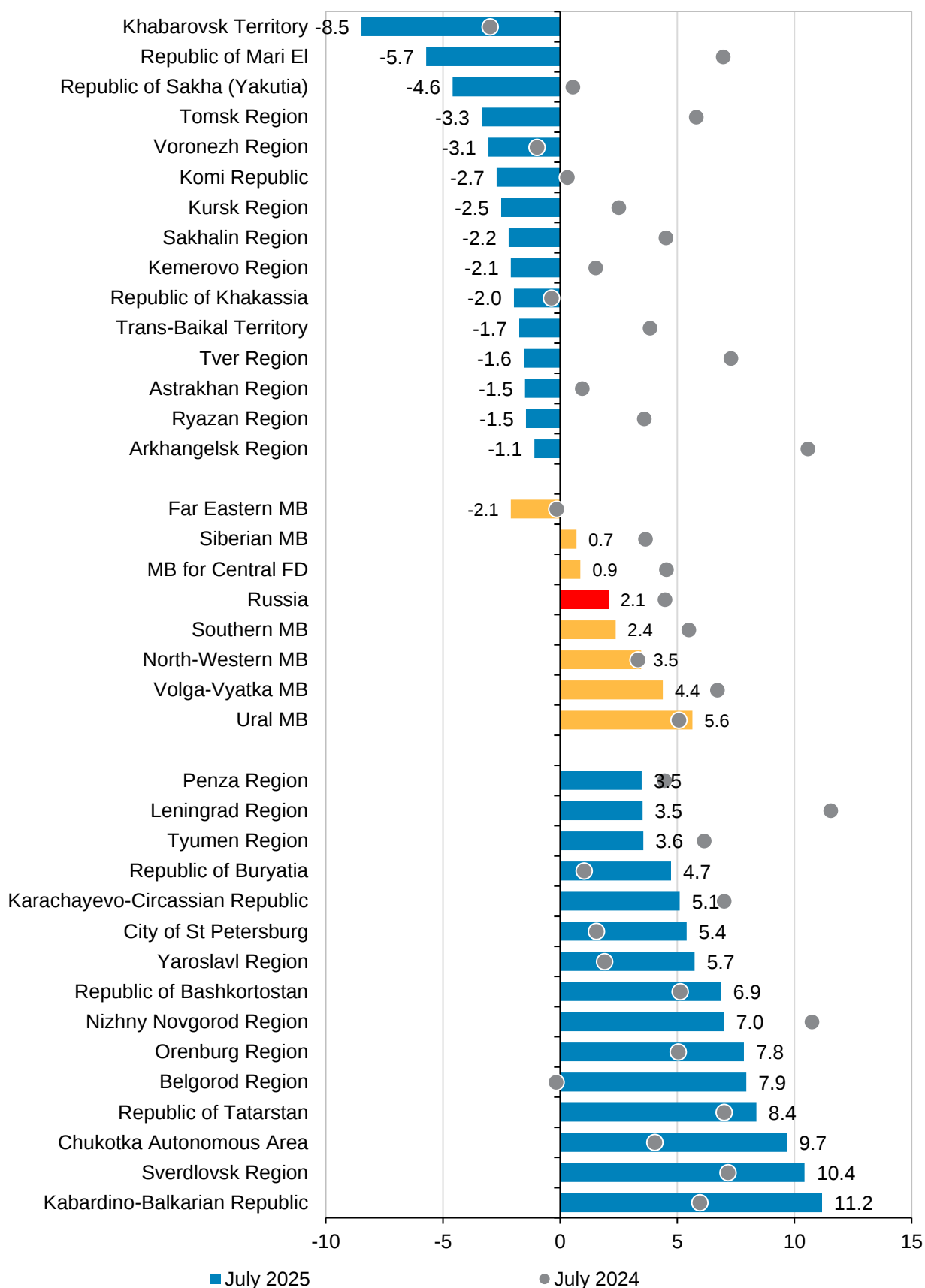


Sources: Rosstat, calculations by Bank of Russia MBs.

Retail, 3MMA, % YoY

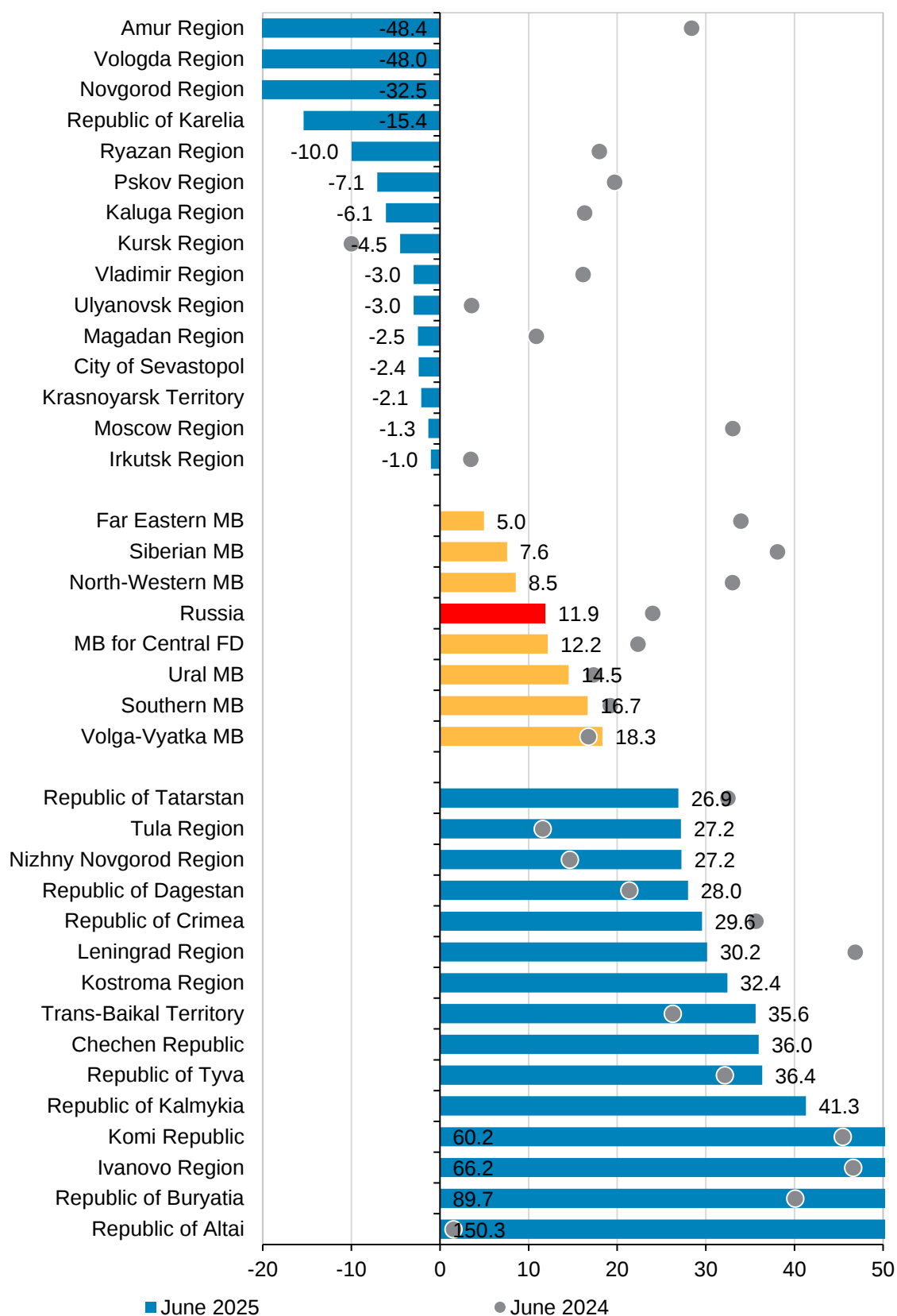
Sources: Rosstat, calculations by Bank of Russia MBs.

Commercial services, 3MMA, % YoY



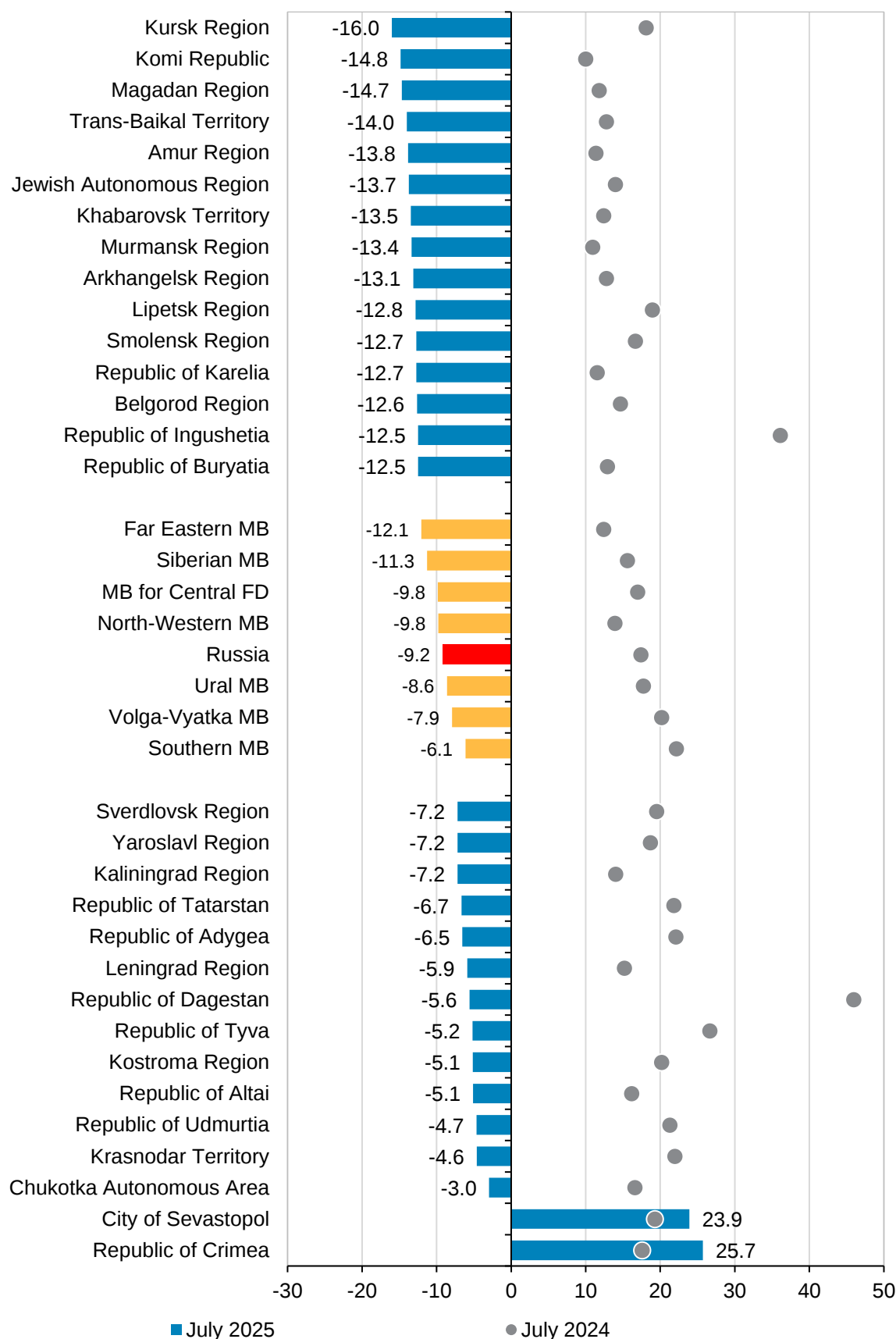
Sources: Rosstat, calculations by Bank of Russia MBs.

Non-financial organisations' outstanding bank loans, % YoY



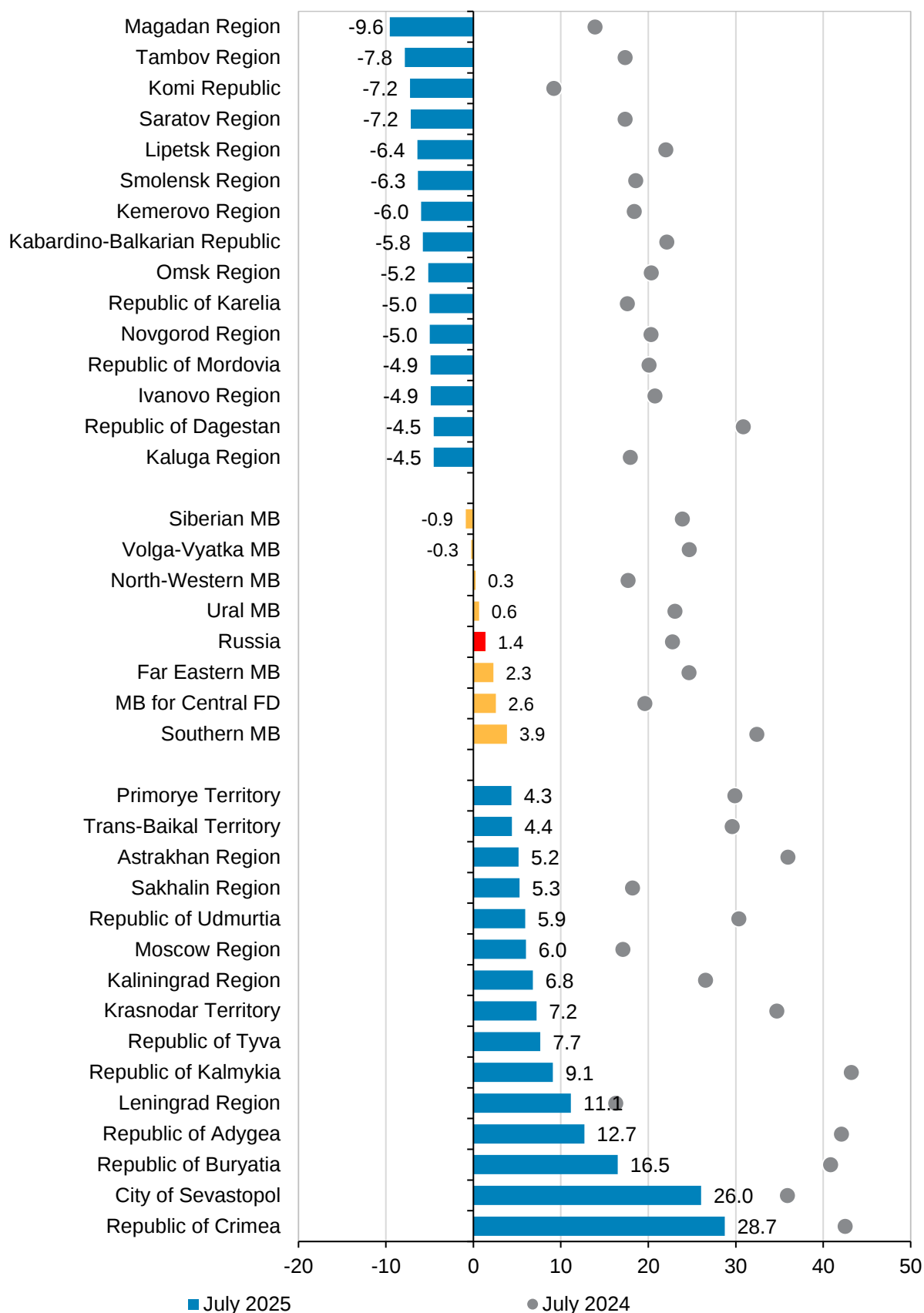
Sources: Bank of Russia, calculations by Bank of Russia MBs.

Outstanding consumer loans, % YoY



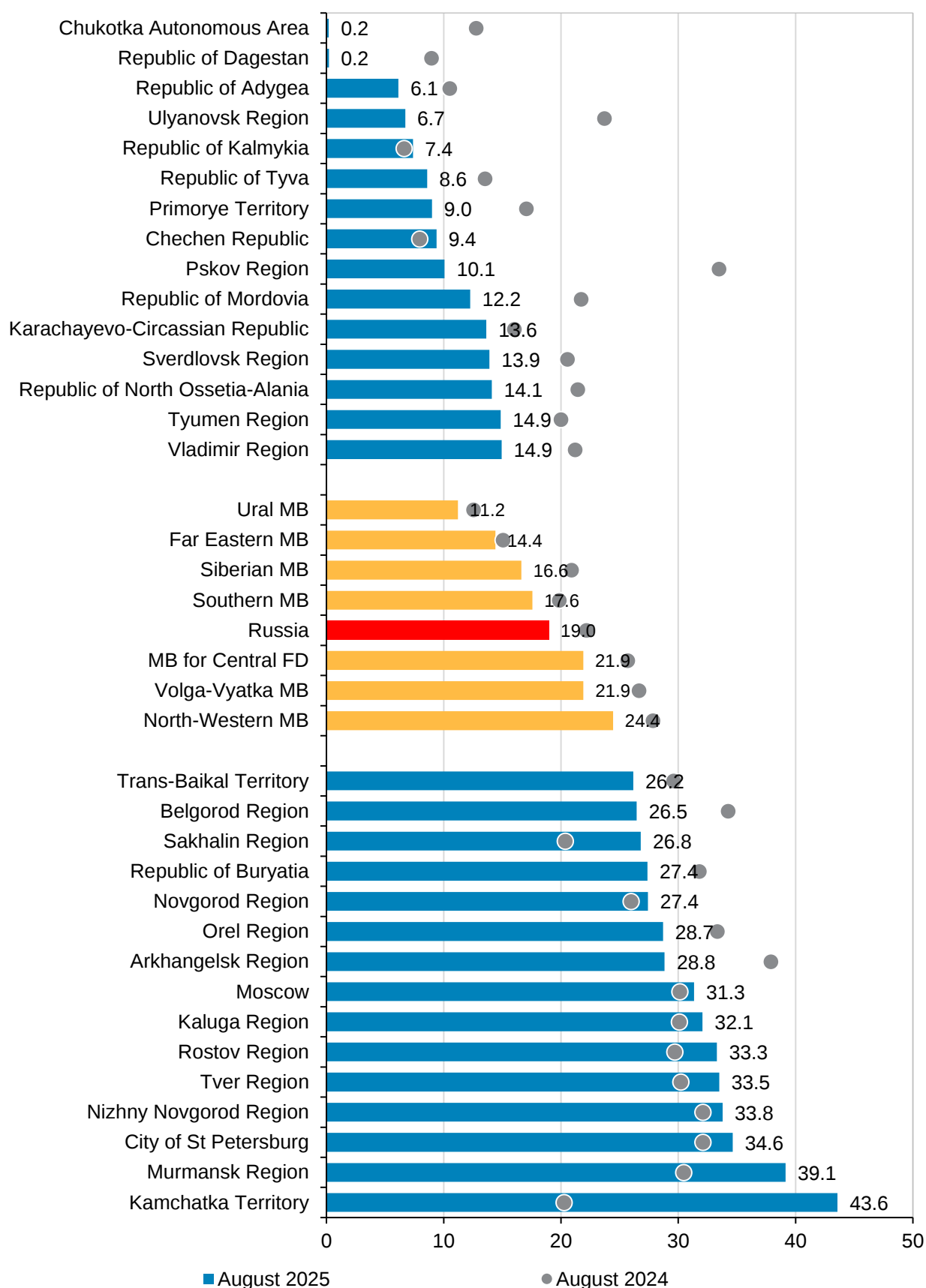
Sources: Bank of Russia, calculations by Bank of Russia MBs.

Outstanding mortgage loans, % YoY

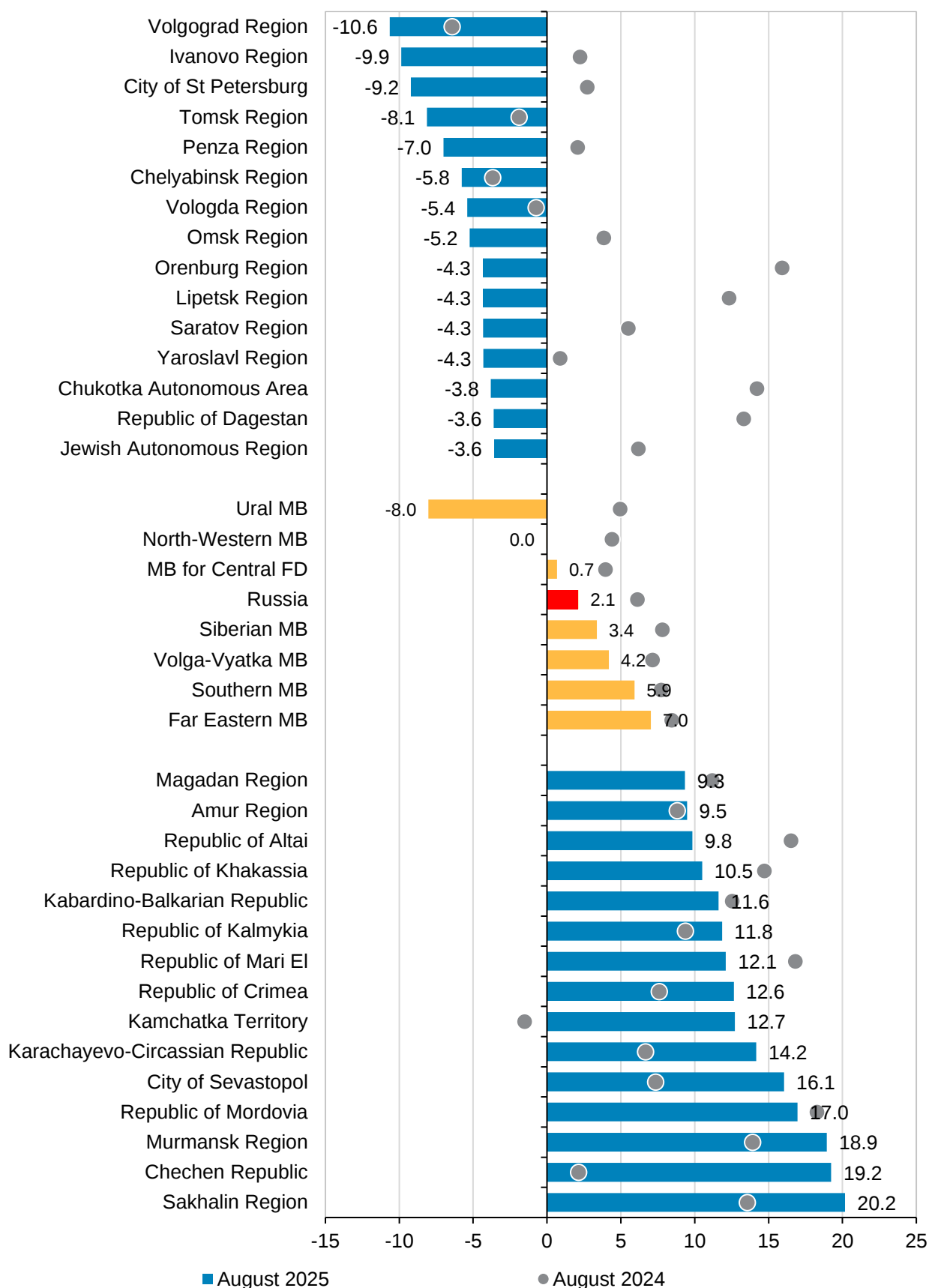


Sources: Bank of Russia, calculations by Bank of Russia MBs.

Companies' price expectations, balance of responses, p, SA



Sources: Bank of Russia's monitoring of businesses, calculations by Bank of Russia MBs.

Business Climate Index, p, SA

Sources: Bank of Russia's monitoring of businesses, calculations by Bank of Russia MB