

# Bank of Russia's medium-term forecast

following the Bank of Russia Board of Directors' key rate meeting on 11 February 2022



## Key forecast parameters of the Bank of Russia's baseline scenario

(growth as % of previous year, if not indicated otherwise)

	2021 (actual / estimate)	BASELINE		
		2022	2023	2024
Inflation, as % in December year-on-year	8.4	5.0-6.0	4.0	4.0
Inflation, average for the year, as % year-on-year	6.7	6.8-7.7	4.0-4.3	4.0
Key rate, <u>average</u> for the year, % per annum	5.7	9.0-11.0 <sup>1</sup>	7.5-9.0	5.0-6.0
Gross domestic product	4.7	2.0-3.0	1.5-2.5	2.0-3.0
Final consumption expenditure	7.6	1.7-2.7	0.6-1.6	1.2-2.2
– households	10.1	2.3-3.3	0.5-1.5	1.2-2.2
Gross capital formation	5.6	0.6-2.6	2.2-4.2	3.4-5.4
– gross fixed capital formation	7.9	0.5-2.0	0.5-2.5	1.7-3.7
Exports	2.1	4.0-6.0	1.6-3.6	1.6-3.6
Imports	13.6	2.2-4.2	0.4-2.4	1.6-3.6
Money supply in national definition	13.0	9-13	8-12	7-11
Claims on organisations and households in rubles and foreign currency <sup>2</sup>	14.0	9-13	8-12	7-11
– on organisations	10.9	7-11	7-11	7-11
– on households, including	22.0	14-18	10-14	7-11
mortgage loans	26.7	15-19	14-18	12-16

<sup>1</sup> Given that from January 1<sup>st</sup> to February 13<sup>th</sup> 2022 the average key rate is 8.5%, from February 14<sup>th</sup> to the end of 2022 the average key rate forecast range is 9.1-11.3%. Additional information on how to interpret the proposed format of the key rate forecast communication is presented in the methodological note [[http://cbr.ru/Content/Document/File/120337/comment\\_20210422\\_e.pdf](http://cbr.ru/Content/Document/File/120337/comment_20210422_e.pdf)].

<sup>2</sup> Banking system claims on organisations and households means all of the banking system's claims on non-financial and financial institutions and households in rubles, foreign currency and precious metals, including loans issued (including overdue loans), overdue interest on loans, credit institutions' investment in debt and equity securities and promissory notes, as well as other forms of equity interest in non-financial and financial institutions, and other accounts receivable from settlement operations involving non-financial and financial institutions and households.

Claims' growth rates are given with the exclusion of foreign currency revaluation. In order to exclude the effect of foreign currency revaluation the growth of claims in foreign currency and precious metals is converted to rubles using the period average USDRUB exchange rate. Mortgage loans net of claims acquired by banks.

Source: Bank of Russia.

## Russia's balance of payments indicators in the baseline scenario<sup>3</sup>

(billions of US dollars, if not indicated otherwise)

	2021 (actual / estimate)	BASELINE		
		2022	2023	2024
<b>Current account</b>	<b>120</b>	<b>133</b>	<b>109</b>	<b>78</b>
Balance of trade	186	228	204	182
Exports	490	536	512	498
Imports	304	308	308	316
Balance of services	-20	-31	-30	-38
Exports	55	59	64	69
Imports	74	91	95	107
Balance of primary and secondary income	-46	-64	-65	-66
<b>Current and capital account balance</b>	<b>120</b>	<b>133</b>	<b>109</b>	<b>78</b>
<b>Financial account (excluding reserve assets)</b>	<b>55</b>	<b>79</b>	<b>52</b>	<b>45</b>
Government and the central bank	-15	3	-7	-9
Private sector	71	75	60	55
<b>Net errors and omissions</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in reserve assets ('+' – increase, '-' – decrease)</b>	<b>64</b>	<b>54</b>	<b>57</b>	<b>32</b>
<b>Urals price, average for the year, US dollars per barrel</b>	<b>69</b>	<b>70</b>	<b>65</b>	<b>60</b>

<sup>3</sup> Using the methodology of the 6<sup>th</sup> edition of "Balance of Payments and International Investment Position Manual" (BPM6). In the Financial account "+" stands for net lending, "-" – for net borrowing. Due to rounding total results may differ from the sum of respective values.

Source: Bank of Russia.