



Bank of Russia



REGIONAL ECONOMY: COMMENTARIES BY BANK OF RUSSIA MAIN BRANCHES

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

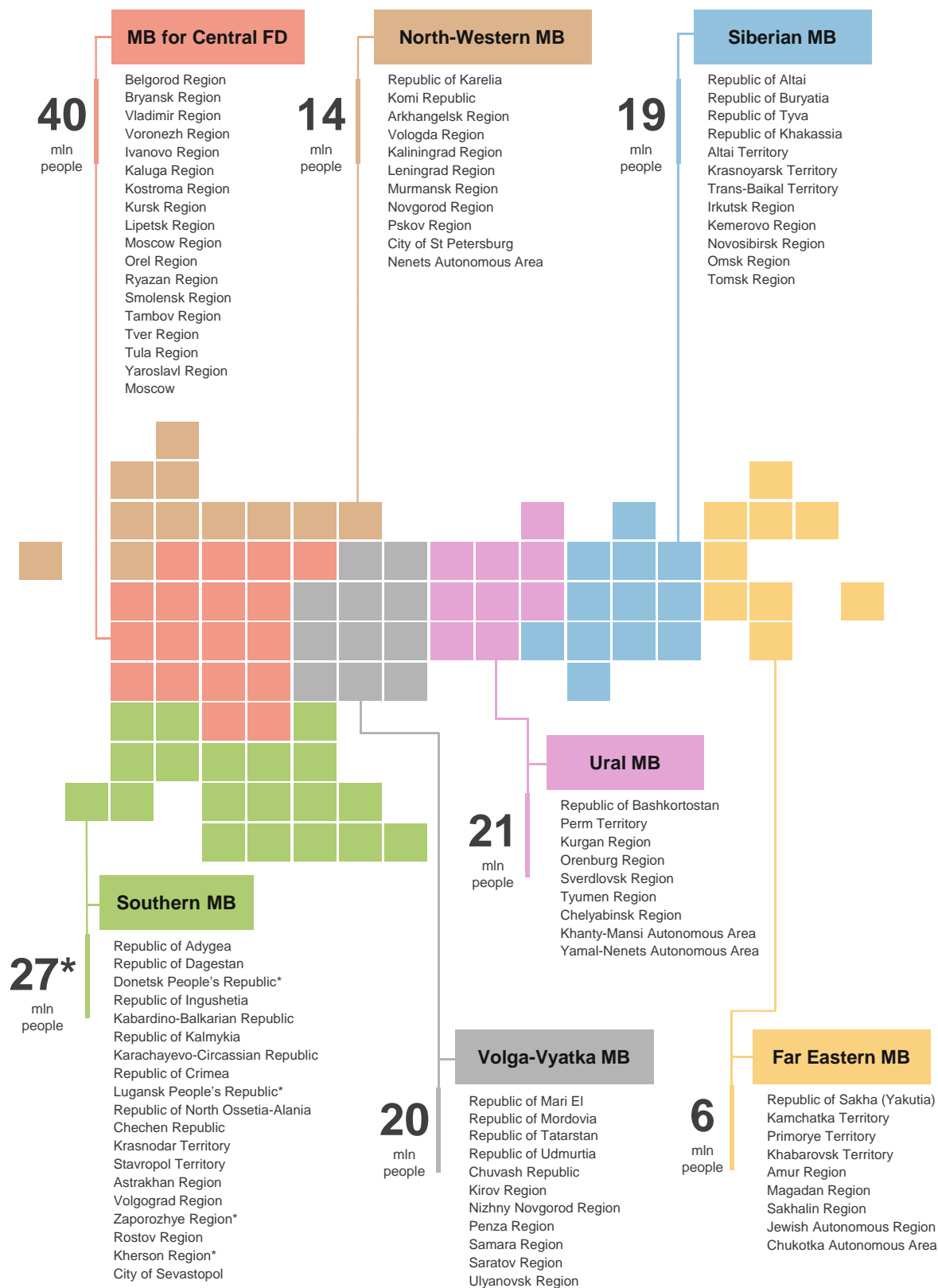
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* Official statistics on the main social and economic indicators of the constituent territories of the Russian Federation do not include statistics on the Donetsk People's Republic, the Lugansk People's Republic, the Zaporozhye Region, and the Kherson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

CONTENTS

| | |
|--|----|
| Russian Federation | 6 |
| Key trends in Russian regions | 7 |
| Core economic indicators..... | 8 |
| Inflation in Russian regions | 9 |
| Bank of Russia Main Branch for the Central Federal District | 10 |
| Bank of Russia North-Western Main Branch..... | 12 |
| Bank of Russia Volga-Vyatka Main Branch..... | 14 |
| Bank of Russia Southern Main Branch | 16 |
| Bank of Russia Ural Main Branch | 18 |
| Bank of Russia Siberian Main Branch..... | 20 |
| Bank of Russia Far Eastern Main Branch | 22 |
| Box 1. Household income: drivers of growth and effect on expenses..... | 24 |
| Earlier issues and boxes therein | 32 |
| Annex. Core economic indicators | 36 |



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

The report 'Regional Economy: Commentaries by Bank of Russia Main Branches' (hereinafter, the Report) reviews the current economic situation in the seven Russian macro-regions, the boundaries of which correspond to the regions of operation of the Main Branches of the Central Bank of the Russian Federation (hereinafter, the Bank of Russia MBs). The content of this 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 Main Branches. It provides high-frequency data on the development of industries in all Russian regions. These data are combined with information received by the Bank of Russia 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 country-wide and local factors. All this is an integral part of the information the Bank of Russia's management needs to make monetary policy decisions. This Report is considered by the Bank of Russia's management in the course of preparations for making key rate decisions.

¹In November 2024, we surveyed 13,901 companies.

RUSSIAN FEDERATION

Most macro-regions saw somewhat weaker growth in consumption between October and November. Nevertheless, inflationary pressures increased in November, with business price expectations and household inflation expectations remaining elevated. Rising interest rates offered by banks continued to boost household savings and made the growth in retail lending slow down considerably. Corporate lending had been growing rapidly until October but November saw the growth in the corporate loan book slow down. Both banks and businesses reported moderate borrowing targets for the year to come.

Domestic demand remained strong. Output continued to expand significantly in machine building, the chemical industry, and the manufacture of construction materials. Automakers were building up output in Central Russia and Volga-Vyatka. Stronger domestic tourism boosted growth in catering business in Siberia. Fuelled by greater labour shortages, wages continued to rise (see the Box *'Household income: drivers of growth and effect on expenses'*), with Volga-Vyatka and the North-West reporting highest and lowest increases, respectively.

Consumption grew at a slower pace in most macro-regions. Demand for food products and catering services remained strong amid rising household incomes. Household propensity to save was up, with more people assessing the current period as unsuitable for large purchases. In non-food retail, growth in demand was less pronounced.

Inflationary pressures increased. Seasonally adjusted (SA) price growth slightly weakened primarily due to tourism and transport services that were prone to high volatility. The underlying component of inflation rose amid strong domestic demand. According to Rosstat's weekly data, price growth sped up in November, with business price expectations rising even further. Household inflation expectations remained elevated.

The annual growth of retail lending slowed down. There was a drop in the consumer loan portfolio owing to higher rates and tougher macroprudential measures. The annual growth of mortgage lending weakened due to a slight increase in repayments and close-to-zero growth in new loans. Corporate lending had been expanding rapidly through October but November saw a noticeable deceleration in the growth of loan portfolios as well as moderate borrowing targets for the year to come. The inflow of household funds into time deposits sped up, driven by higher interest rates.

KEY TRENDS IN RUSSIAN REGIONS

MAIN BRANCH FOR THE CENTRAL FEDERAL DISTRICT. Growth in industrial production was faster in Central Russia than across Russia in general over October largely owing to the development of the manufacture of computers, electronics, and optical products in the Moscow metropolitan area. Unlike Russia in general, the macro-region registered the volume of construction go down in part due to the completion of a number of infrastructural projects in the Moscow metropolitan area. Business price expectations were above the Russian average on account of industrial enterprises.

NORTH-WESTERN MAIN BRANCH. Consumer activity remained strong between October and November. Shipbuilders and ship repair yards were booked with orders. The macro-region was building ice-class vessels and implementing technical re-equipment programmes. Output in the animal industry accelerated to exceed the nationwide figure.

VOLGA-VYATKA MAIN BRANCH. The corporate loan portfolio continued to grow faster than across Russia overall (in monthly terms) chiefly owing to strong lending to investment goods producers and automakers. The capacity utilisation rates of automakers increased in part due to the build-up of output at a plant relaunched earlier. The annual rate of growth in the chemical industry exceeded the national average in part because of the implementation of investment projects related to import substitution and the development of the logistics infrastructure for exports.

SOUTHERN MAIN BRANCH. Consumer activity was rising faster here than across Russia overall. Growth in corporate lending sped up to exceed the Russian average primarily on account of small and medium-sized enterprises in construction and manufacturing. Growth in investment was driven by the modernisation of facilities in industrial production and the implementation of public projects. A decrease in oil refining affected the cargo traffic at seaports.

URAL MAIN BRANCH. Consumer activity continued to rise in the macro-region, unlike across Russia as a whole, primarily on account of commercial services. Output continued to go down in the metal and chemical industries. The transport industry registered a decrease in cargo traffic but made efforts to expand the road and logistics infrastructure. Loans and state support measures were still the key sources of finance for the implementation of large investment projects.

SIBERIAN MAIN BRANCH. Exports of coal and metals dropped. This brought about a reduction in coal production and stockpiling at metal makers. As a result, growth in Siberian industrial production was below the nationwide level. Growth in consumer activity slowed down mainly due to declining demand for cars. The volume of construction fell below the last year's figure. The commissioning of housing exceeded the Russian average thanks to growth in individual housing construction.

FAR EASTERN MAIN BRANCH. The monthly inflation rate was higher in the macro-region than across Russia overall due to faster growth in prices for flight tickets and second-hand vehicles amid strong demand. The annual growth rate of industrial production exceeded the nationwide figure, backed by the record production of coal. The cargo traffic at Far Eastern seaports rose to a greater extent than across Russia in general because of increases in the transshipment of coal, oil, petroleum products, and container cargos.

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 | % | 2024 | 100 | 34 | 11 | 11 | 15 | 14 | 10 | 5 |
| Inflation | % YoY | Oct24 | 8.5 | 9.1 | 7.9 | 8.3 | 8.5 | 7.9 | 8.7 | 8.7 |
| Core inflation | % YoY | Oct24 | 8.2 | 8.5 | 7.8 | 7.9 | 7.8 | 7.6 | 8.8 | 8.5 |
| Industrial production | 3MMA, % YoY | Oct24 | 3.6 | 11.8 | 6.3 | 6.4 | -2.1 | 0.5 | 1.1 | 5.0 |
| Fixed capital investment | Cumulative, % YoY | 2024 Q3 | 8.6 | 7.9 | 14.1 | 2.6 | 16.5 | 13.6 | 5.4 | 12.5 |
| Construction | 3MMA, % YoY | Oct24 | 0.1 | -3.1 | 0.2 | -13.2 | 21.1 | 1.4 | -4.6 | -12.2 |
| Housing commissioning | 3MMA, % YoY | Oct24 | -2.6 | -1.0 | -10.1 | 1.2 | -3.6 | -7.6 | 8.1 | -8.3 |
| Retail | 3MMA, % YoY | Oct24 | 5.5 | 4.7 | 1.3 | 5.5 | 8.8 | 8.2 | 7.3 | 6.4 |
| Commercial services | 3MMA, % YoY | Oct24 | 2.4 | 1.4 | -0.4 | 2.9 | 4.2 | 7.6 | 2.5 | -2.1 |
| Real wages | 3MMA, % YoY | сеп.24 | 8.1 | 8.0 | 6.1 | 12.0 | 8.1 | 8.2 | 7.1 | 4.5 |
| Real disposable income | % YoY | 2024 Q3 | 8.5 | 10.0 | 8.2 | 10.1 | 9.2 | 7.9 | 6.1 | 5.7 |
| Unemployment | % SA | Oct24 | 2.4 | 1.6 | 2.0 | 1.8 | 4.5 | 1.7 | 2.9 | 2.3 |
| Outstanding consumer loans ² | % YoY | Oct24 | 13.0 | 12.0 | 9.7 | 16.3 | 17.9 | 13.3 | 11.6 | 9.2 |
| Outstanding mortgage loans | % YoY | Oct24 | 9.8 | 7.2 | 6.0 | 11.5 | 17.2 | 9.3 | 10.6 | 13.9 |
| Funds in escrow accounts | % YoY | Oct24 | 21.7 | 20.7 | 1.7 | 27.3 | 40.8 | 26.4 | 22.7 | 25.7 |
| Non-financial organisations' outstanding bank loans | % YoY | Sep24 | 21.4 | 21.1 | 22.1 | 21.6 | 22.6 | 17.8 | 21.9 | 29.1 |
| • Large borrowers | % YoY | Sep24 | 21.1 | 20.1 | 26.2 | 27.2 | 14.9 | 15.5 | 23.4 | 27.4 |
| • SMEs | % YoY | Sep24 | 23.0 | 26.2 | 0.2 | 9.7 | 35.9 | 28.6 | 17.2 | 37.7 |
| Companies' price expectations ³ | Balance of responses, p, SA | Nov24 | 26.0 | 33.1 | 29.7 | 33.3 | 29.0 | 29.8 | 33.0 | 23.6 |
| Business Climate Index | p, SA | Nov24 | 5.5 | 5.0 | 3.9 | 6.8 | 7.2 | 6.8 | 7.2 | 7.9 |
| • Current estimates | p, SA | Nov24 | -0.4 | -2.6 | -1.8 | 0.6 | 1.6 | 1.5 | -1.9 | 2.9 |
| • Expectations | p, SA | Nov24 | 11.6 | 12.9 | 9.7 | 13.3 | 12.9 | 12.2 | 16.8 | 13.0 |

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

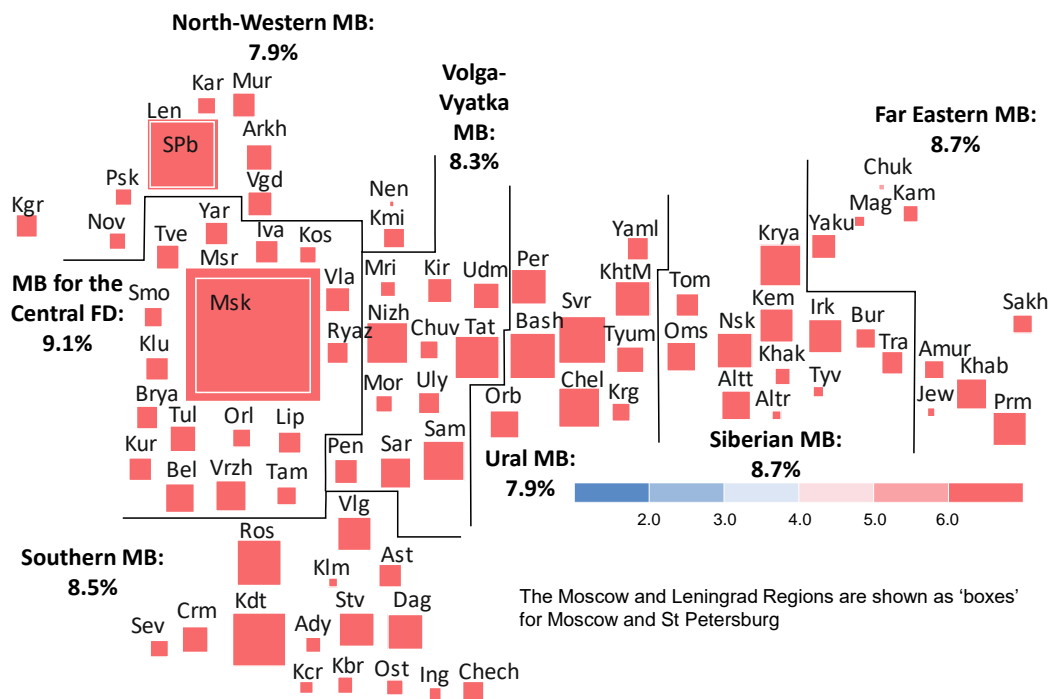
² Hereinafter, outstanding bank loans are given adjusted for foreign currency revaluation, according to Reporting Forms 0409316 'Loans to households' and 0409303 'Loans to legal entities'. These reporting forms are used to carry out regional analysis since they enable the aggregation of indicators by 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 October 2024, % YoY

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



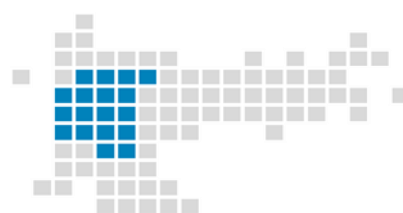
Note. The lines on the map divide the regions of operation of the Bank of Russia MBs.

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 Adygeya | 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 | Khaborovsk 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



The macro-region saw somewhat weaker growth in consumption between October and November. The monthly price growth slowed down in October. Business price expectations continued to climb. The mortgage market registered higher activity in October due to the recovery in demand for existing housing in the metropolitan area. The inflow of household funds into time deposits accelerated in October amid rising rates on ruble deposits.

CONSUMPTION AND INCOMES. Growth in consumption slightly weakened in Central Russia between October and November 2024. According to regional car dealers, demand for foreign cars was down in October and November after a surge in September following the increase in the recycling fee on 1 October. The Voronezh, Tambov, Lipetsk, and Ryazan Regions saw a drop in the sales of electronic devices and household appliances, including those purchased on credit. Demand for catering services was still strong. According to a large retailer, there was a rise in regional demand for special offers of food products and fast-moving consumer goods. Short-term demand expectations of retailers were down. Household incomes were rising at a faster pace, backed by the continuing growth in wages at regional enterprises.

PRICES. Annual inflation remained above the Russian average in the macro-region. The current inflation rate edged down in October (SA) compared to September. Underlying inflation (excluding volatile components) slowed down as well in October. The three-month average inflation rate was close to the nationwide figure in the macro-region. According to Rosstat's weekly data, the inflation rate was still high in November. Business price expectations were higher in the macro-region than across Russia overall. They had been rising for the third month in a row due to a sharper increase in costs, especially in industrial production and transportation and storage. Retailers reported the highest price expectations which exceeded the nationwide figures.

MONETARY CONDITIONS AND BANKING SECTOR. Early October witnessed a slight slowdown in the annual growth of the corporate loan portfolio, as did September. The reason was a partial repayment of loans to large metropolitan trade and construction companies. The annual growth rate of large corporate loans was up due to new loans to Moscow-based oil refineries and chemical companies in the Tula Region. The annual growth of retail lending slowed down in October. New consumer loans decreased in October against September in all segments, except the use of limits on existing credit cards. New car loans were down in October compared to September because of rises in loan rates and prices for new cars after the increase in the recycling fee. New mortgage loans were up compared to September, driven by stronger demand for existing housing in the metropolitan area. The inflow of household funds into time deposits accelerated amid rising rates on ruble deposits.

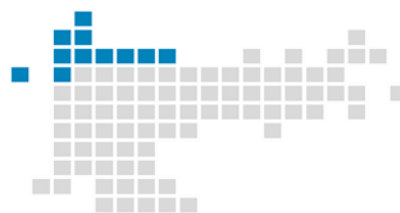
WAREHOUSE FACILITIES. Warehouse businesses were growing faster in the macro-region than across Russia as a whole in 2024 Q3. The key driver was great demand for warehouse facilities from online retailers. Their expansion into regions outside the Moscow agglomeration gave a boost to the construction of warehouses in other regions of Central Russia, which exceeded multi-year

figures by the end of first three quarters in 2024. New large logistics hubs were opened in six regions of the central macro-region. The metropolitan area, however, registered a drop in the commissioning of warehouses. Demand for warehouse facilities was still rising faster than supply in all the regions of Central Russia, pushing up lease rates. Experts believed that the commissioning of new warehouses would balance demand and supply in this market and moderate growth in lease rates.

CAR PRODUCTION. October witnessed the further growth of car production in the macro-region. Some large carmakers considerably built up output this year and hoped to continue to do it in 2025. A carmaker planned to expand its production capacity through modernisation since the sales of its products were growing, for example, they doubled from January through September 2024 in annualised terms. The costs incurred by this company were rising due to increases in wages, transport expenses, and the cost of foreign components. The output of electric vehicles at another carmaker, on the contrary, was behind this year's schedule in part due to declining demand for electric vehicles across the country. Nevertheless, this company announced its intention to launch a car body painting and welding line in 2025 to localise production.

HOUSING RENTAL MARKET. Rents for apartments in Central Russia were rising sharper than across Russia in 2024 Q3, as the growth in demand was considerably stronger than that in supply. Higher market rates on mortgage loans and the termination of the non-targeted subsidised mortgage programme resulted in greater appetite for rental property. Experts noted a shift in tenant preferences in the Moscow metropolitan area, including stronger demand for multi-room apartments in districts boasting a mature infrastructure. The reason was that a large number of Moscow-based companies paid rents for employees and their families under relocation programmes. According to experts, the sharp rise in demand for rental property was over. October saw no increases (SA) in rents in most regions of Central Russia compared to September. In November, experts reported a cooling in the housing rental market and the longer placement of rental advertisements in the macro-region.

BANK OF RUSSIA NORTH-WESTERN MAIN BRANCH



Consumption barely changed in October and November compared to September and remained strong in the macro-region. Rising demand for meat products boosted output. The monthly inflation rate (SA) was down in October. Business price expectations, however, went up. The labour market was still very tight. Employers expanded their employee support measures to hire and retain workers.

CONSUMPTION AND INCOMES. Consumption was generally strong in October and comparable with the September level in the North-West. Catering business recorded growth in October against September. Tourism was also strong. For instance, the passenger traffic at the Kaliningrad airport gained 10% in annualised terms over October. However, the sales of non-food products edged down in October vs September. Recent indicators for November showed that consumer demand would stay close to the October level in the macro-region. Short-term demand expectations of retail and services companies edged up in November.

PRICES. Annual inflation slowed down in the North-West over October, staying below the Russian average level. The monthly inflation rate (SA) was down as well mainly due to volatile components, including telecommunications and passenger transportation services. The three-month average inflation rate was close to the nationwide figure in the macro-region. Business price expectations rose in the North-West over November and stayed above the Russian averages on account of industrial production and construction.

MONETARY CONDITIONS AND BANKING SECTOR. The annual growth of the corporate loan portfolio was still slowing down in early October but the monthly growth rate already started to climb. The annual movements in outstanding business loans were in part driven by the high base effect of September 2023, witnessing rapid growth in lending to trade businesses. Companies covered by the monitoring of businesses noted that business lending conditions tightened in October and November. Retail lending slowed down significantly. Early November saw the annual growth rate go down in both the mortgage and consumer segments. Rising interest rates moderated household demand for loans. New mortgage loans, however, remained close to the September level. Climbing deposit rates continued to support the inflow of household funds into time deposits.

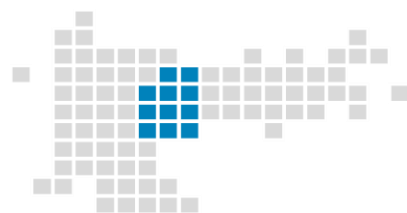
SHIPBUILDING AND SHIP REPAIR. The capacity utilisation rate of shipbuilders and ship repair yards remained high over 2024 Q3 in the North-West. The macro-region continued to build ice-class vessels, including those intended for year-round navigation along the Northern Sea Route. For instance, November saw a shipyard launch a new nuclear icebreaker in Saint Petersburg. An Arkhangelsk-based shipyard continued to build vessels to carry passengers including during ice drifts and ice formation. North-Western ship builders were upgrading and expanding their existing production facilities. The implementation of a technical re-equipment programme enabled a large shipyard to resume its shipbuilding operations, in particular to start assembling sections of a floating dry dock under a new contract. A Karelia-based shipbuilder was completing the installation of equipment for a digital shipyard, with the first vessel to be built there starting from early 2025.

Yet, companies were still lacking in personnel (chiefly blue-collar workers). To improve the situation, shipbuilders were actively engaged in the training of young workers.

ANIMAL INDUSTRY. The North-West registered faster growth in meat output in 2024 Q3 compared to 2024 Q2 thanks to pork output. In the Kaliningrad Region, a pig farm restored output after a closure due to the outbreaks of pig deceases. A large agricultural holding company built up the output of pork, including for exports to an Asian country. To increase poultry output, producers continued to expand their production facilities. For instance, a Kaliningrad-based poultry factory was implementing a broiler farm project, with the step-by-step commissioning of poultry facilities scheduled for the coming year. However, the persistent growth in costs led to a partial reduction in the dairy herd and hence a slight decrease in the growth rate of milk output. A launch of new high-tech facilities was nevertheless expected to stabilise the situation in the industry. In the Murmansk Region, a fully integrated producer of dairy and meat products planned to launch a new milking room by the end of this year. The Vologda Region completed the construction of a new cattle farm.

LABOUR MARKET. The labour market was still very tight in the macro-region. The unemployment rate stayed below the Russian average. In order to hire and retain staff, companies not only raised wages but offered additional incentives. In the Vologda Region, a large enterprise introduced a system for compensating employees for interest payments on mortgages. To solve the labour shortage problem, employers started to offer traineeships in their job advertisements. In Saint Petersburg, traineeships were most often offered by companies engaged in IT, retail, and industrial production. Businesses continued to establish their in-house training facilities and cooperate with educational institutions to develop human resources. In the Murmansk Region, a mining and quarrying enterprise together with a regional university were implementing a project for establishing a higher school of mining engineers for the entire macro-region. In autumn, a Karelia-based large pulp and paper plant launched a free training programme focusing on its key business areas and providing for on-site training and the payment of grants.

BANK OF RUSSIA VOLGA-VYATKA MAIN BRANCH



Growth in consumer spending was down in October and November after a pickup in September. The rapid growth of the corporate loan portfolio was largely driven by machine builders. Carmakers registered growth in part due to the expansion of car model ranges, the better localisation of component production, and the opening of new facilities. In the chemical and animal industries, companies were building up output following the implementation of investment projects.

CONSUMPTION AND INCOMES. Growth in consumption was drastically smaller between October and November than in September, with respondents sharing more tentative demand expectations. According to auto dealers, sales of vehicles dropped from the September figures as the elevated demand preceding the increase in the recycling fee faded. The sales of vehicles were also affected by tighter lending conditions and higher prices. The cooling housing market still moderated demand for construction materials, furniture, and domestic appliances. Companies reported lower traffic in shopping malls and smaller demand for clothing and footwear. Tourism edged down but hoteliers expected the occupancy rates of hotels to exceed the last year's figures during the New Year holidays.

PRICES. Annual inflation decreased to 8.3% in the macro-region and stayed below the nationwide rate in October. The current inflation rate (SA) rose, however, in October vs September. The three-month average inflation rate was slightly above the nationwide figure primarily owing to changes in prices for certain food products. November saw business price expectations rise and stay above the country's average. The rise was largely fuelled by the price expectations of consumer goods producers. The price expectations of retailers also exceeded Russian average figures.

MONETARY CONDITIONS AND BANKING SECTOR. Corporate lending was still expanding rapidly in early October despite higher interest rates. Investment goods producers made a noticeable contribution to the increase in the loan portfolio. September and October registered a cooling in retail lending. The monthly growth of outstanding consumer loans was close to zero (SA) over October. Mortgage lending was expanding faster than in September but remained moderate. The share of market-based mortgage loans continued to contract. The rapid growth of household funds with banks was primarily driven by short-term deposits, which had been rising steadily from the middle of 2023.

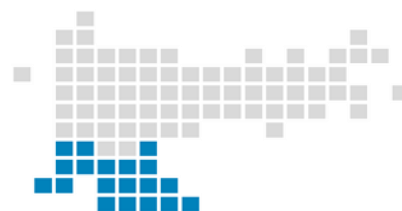
AUTOMOTIVE INDUSTRY. The Bank of Russia's monitoring of businesses showed that the capacity utilisation rate of Volga-Vyatka-based manufacturers of vehicles and components was up to the last year's record high in 2024 Q3. The high rate of capacity utilisation of carmakers resulted from the continued growth in output at a car plant (a member of a large automotive concern), which was relaunched in the last May. The plant started the assembly of electric vehicles in late September, with the output hitting a fresh high since the relaunch as early as October. Another facility of this automotive concern also expanded its model range in October and upgraded the configuration of one of its key models in November. Moreover, regional companies continued to increase the localisation of car components. For instance, a light truck manufacturer started to produce frames

for one of its models. Moreover, the macro-region relaunched a large tire production facility, which had stayed idle since 2022, in the middle of November. The further growth in the output of the Volga-Vyatka automotive industry was expected to be supported by the launch of a new plant to manufacture medium duty trucks in late November.

CHEMICAL INDUSTRY. Chemical companies had been steadily building up output over recent months in the macro-region. This growth offset the drop in output in the first half of 2024 and exceeded the multi-year high recorded in 2023 Q3. The growth in output was largely driven by the implementation of investment projects related to the expansion of production facilities and the development of logistics infrastructure for exports. In addition, a large regional enterprise resumed producing certain goods to occupy market niches, which fell vacant after the exit of foreign companies from the Russian market. However, surveys showed that businesses were negatively affected by complicated rail freight logistics and cross-border payments for products. Moreover, companies reported increases in loan servicing costs and the value of imported resources and raw materials in individual cases.

ANIMAL INDUSTRY. Egg and poultry production rose rapidly over the third quarter in Volga-Vyatka in annualised terms and remained strong in October. This growth was primarily driven by the launch of new facilities in several regions and hence an increase in poultry population. In the Chuvash Republic, a poultry farm increased egg production by more than 30% YoY by the beginning of November thanks to using facilities constructed earlier. Growth in egg production was driven by the re-equipment and renovation of poultry facilities in the Saratov and Kirov Regions. Milk output was also expanding on account of new facilities. For instance, the Republic of Tatarstan launched a livestock breeding facility of a major Russian producer in late summer and completed the first phase of a large farm project of a regional company in October. Nevertheless, growth in prices for dairy products had been accelerating since late summer. Elevated demand enabled producers to quickly pass through higher costs, primarily the cost of resources and raw materials, to prices. Certain businesses reported a sizeable impact of the higher cost of logistics and wages. Companies in the food industry shared more optimistic demand expectations in November. Some of them reported that growth in output was constrained by labour shortages and the complicated purchase and upgrade of equipment.

BANK OF RUSSIA SOUTHERN MAIN BRANCH



Having cooled in October, consumption rose again in November on the back of stronger tourism amid the development of infrastructure and new destinations. Household demand for loans decreased. The macro-region's harvest of major crops was assessed to fall below the last year's figures because of bad weather. The drop in the exports of certain goods led to reduced cargo traffic at southern ports. Business price expectations continued to climb in November. Consumer price growth (SA) slowed down in October.

CONSUMPTION AND INCOMES. According to recent data (SA), November saw consumption rise after a cooling in October, driven again by sales of non-food goods. In the Krasnodar Territory, a furniture factory registered higher demand for home furniture in part due to special offers and discounts. Astrakhan-based car dealers noted strong demand for spare parts and consumable items. Consumers continued to switch to online shopping. According to a large logistics company, the average amount of online shopping and deliveries to pickup points increased. A major perfume and cosmetics retailer planned to open a distribution centre in the Rostov Region to cut delivery times in the South of Russia. Consumption was supported by continuously rising wages. In the Volgograd Region, a large metal maker raised wages by 10% in October. In addition, companies offered other financial incentives such as rewards and sales bonuses.

PRICES. October saw annual inflation in the South equal the national average. The current inflation rate (SA) edged down compared to September. The three-month average inflation rate was higher in the macro-region than across the country largely owing to food inflation, for example, there were rises in prices for pork (whose output was declining in the South, unlike Russia as a whole) and potatoes (whose harvest was increasing more slowly in some Southern region than nationwide). Business price expectations climbed (most noticeably in retail) and were still above the Russian average.

MONETARY CONDITIONS AND BANKING SECTOR. The annual growth of the corporate loan portfolio sped up in early October and remained elevated compared to multi-year averages. This growth was mainly driven by small and medium-sized enterprises located in the Krasnodar Territory and engaged in construction and manufacturing (most new loans were working capital facilities). In the Krasnodar Territory and the Volgograd Region, banks reported the same level of new corporate loans as in the previous months despite tighter non-price lending conditions and higher interest rates. The annual growth of outstanding loans to households continued to slow down because of climbing interest rates and tougher macroprudential requirements of the Bank of Russia. New car loans declined. The mortgage portfolio was increasing at a slower pace as well. Household funds in bank deposits went on rising on the back of higher interest rates and the inflow of funds from current accounts.

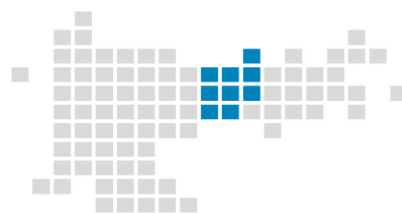
LOGISTICS. October registered a drop in the cargo traffic in Southern ports YoY. In the Azov and Black Sea Basin, the drop was caused by a reduction in the transshipment of coal and oil, as demand for Russian hydrocarbons was going down. The Caspian Sea ports witnessed smaller supplies of

liquid food and grain cargos. Higher domestic input prices and lower export prices made companies in the Astrakhan Region decrease their exports of grain. Moreover, the North Caucasus Railway registered a drop in the cargo traffic mainly due to a reduction in the transshipment of construction materials after the completion of large-scale infrastructure projects and the cooling in the housing market caused by the termination of the non-targeted mortgage programme. The construction of new logistics hubs continued, however. The Krasnodar Territory commissioned the third phase of the South's largest food warehouse.

CROP PRODUCTION. According to preliminary data, the macro-region's harvest of major crops was assessed to fall below the last year's figures and five-year averages. Extremely high summer temperatures negatively affected the yield and quality of crops. However, better autumn weather helped major vegetable-growing regions to increase their harvest. As prices for materials and equipment were rising, farmers used subsidies to cut their costs. State support measures helped farmers upgrade their fleets of machinery. The sowing of winter crops was close to completion in the macro-region, with crop areas staying at the level of the last year. The sowing campaign was conducted as scheduled despite bad weather. Because of drought, the condition of crops was worse in some regions than last year. For instance, farmers in the Rostov Region reported a shift in plant development phases.

TOURISM. Between October and November, tourism was growing faster than over September in annualised terms in part due to the early start of ski season in the North Caucasus. Event, food, and agricultural tourism remained in great demand as well. The Republic of Crimea saw steady demand for tours to essential oils production sites, cheese farms, bakeries, mussel, oyster, and escargot farms. Large tourism festivals boosted the tourist traffic in the Stavropol Territory. Winter accommodation bookings already exceeded the last year's figure and comprised 45% in October. According to a large Sochi-based health resort, its occupancy rate was expected to equal 80%. The North Caucasus was in great demand too, with some regions registering almost full bookings for the winter season.

BANK OF RUSSIA URAL MAIN BRANCH



The macro-region saw somewhat weaker growth in consumption between October and November. Output in industrial production generally remained the same as in the summer months. Positive trends remained in the manufacture of electrical equipment and metal processing. Contrastingly, metal makers and chemical enterprises reported a drop in output in part owing to declining demand from the oil and gas and construction sectors. Freight traffic stayed below the last year's level. Road transport appeared preferable because of the insufficient capacity of railways, with freight traffic increasing due to long distance deliveries.

CONSUMPTION AND INCOMES. Consumer demand continued to grow in the macro-region between October and November but more slowly than in summer. The highest rises were registered in consumption in services and catering. Car sales hit three-year highs in October but fell sharply in November to the June level. Retailers reported a shift in demand towards the cheaper goods segment and a more active use of various marketing programmes to support sales. The macro-region continued to develop the online sales and delivery infrastructure. As reported by employment agencies, the tightness in the labour market eased in October, as the number of registered staff requests was down. According to surveys, businesses were nevertheless still suffering from considerable labour shortages, with the unemployment rate continuously going down. Against this background, wages carried on rising, albeit more slowly than in summer. Wages were growing faster in the public sector due to indexation.

PRICES. Annual inflation in the Urals remained below the Russian average. The current inflation rate (SA) rose, however, against September. The three-month average inflation rate was lower in the macro-region than in Russia as a whole, as prices for fruit and vegetables were rising much more slowly, in particular. Business price expectations (SA) showed a sharp increase and exceeded the country's average figures largely due to a surge in price expectations in construction, services, and logistics. However, price expectations of Ural retailers stayed below the nationwide level.

MONETARY CONDITIONS AND BANKING SECTOR. Most banks raised interest rates on loans and deposits between October and November. According to credit institutions, there was a drop in demand for consumer loans (including car loans) and market-based mortgage loans. New subsidised mortgage loans barely changed over October against September. Banks reported a decrease in demand for business loans following the toughening of price and non-price lending conditions. The corporate loan portfolio grew in October compared to September, largely driven by elevated credit activity of a limited group of borrowers who continued implementing their investment projects to expand and upgrade production facilities. Higher deposit rates were still boosting the inflow of household funds into deposits in autumn.

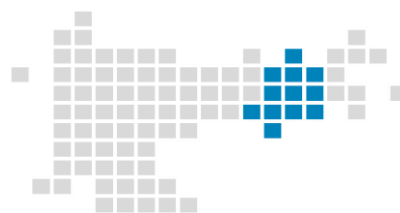
METALLURGY. The output of ferrous metal products plummeted in September and October. Producers registered a drop in their capacity utilisation rates, as ready products flooded the market in late summer and domestic demand was not expected to rise in the near term. In addition, global

prices for ferrous metal products fell in 2024 H2 because of overproduction in China, making a further increase in the exports of these products unprofitable. The output of construction fixings and fasteners (low-carbon wire in particular) went down, because some consumers preferred cheaper Chinese products. The consumption of steel was assessed by metal makers to be limited by declining demand from construction and oil and gas businesses in late 2024. The major Ural companies planned to have their production equipment fully repaired to ensure the output of products at initial stages. In general, metal makers were getting more focused on the output of high value-added products. October saw a better economic situation in the non-ferrous metals market, which encouraged more optimistic demand expectations and higher capacity utilisation rates at some companies.

CHEMICAL INDUSTRY. The output of chemical products edged down between September and October in the Urals. Downward trends were registered in the production of pesticides and agricultural chemicals, the manufacture of soap, perfume and cosmetics, as well as paints and varnishes. The output of fertilisers started to rise again, as a major producer concluded a contract for supplies to an Asian country. The Republic of Bashkortostan saw the commissioning of an industrial sulphur facility and an industrial carbon granulation line. Encouraged by strong demand, a producer of industrial gases in the Sverdlovsk Region planned to utilise its production capacity in full. The Chelyabinsk Region launched new facilities to manufacture liquid detergents and was building a sodium sulphide plant within import substitution. An Orenburg-based company opened a burnt-lime facility in August.

FREIGHT AND TRANSPORT LOGISTICS. The amount of cargo handled by the Sverdlovsk Railway rose in October against September but still stayed below the last year's figure. As assessed by market participants, rail freight became less attractive in terms of both price and speed because of the low capacity of the Eastern section. In particular, miners in the Sverdlovsk and Orenburg Regions noted difficulties in the deliveries of bulk goods. Road freight services registered longer distances but smaller cargos. In 2024 Q3, road freight generally dropped in the Urals, with positive trends being seen in border regions. To improve transport logistics, the Republic of Bashkortostan approved projects to expand the M-5 and M-7 highways up to four lanes. The Chelyabinsk Region completed repairing and expanding certain sections of the M-5 federal highway. The Republic of Bashkortostan and the Sverdlovsk Region planned to open a section of the M-12 toll highway. For this reason, carriers expected the cargo traffic between Yekaterinburg and Kazan to speed up considerably. The macro-region was actively developing distribution centres of major marketplaces and retail chains, with one of them launched by the Perm Territory in October.

BANK OF RUSSIA SIBERIAN MAIN BRANCH



Growth in consumption slowed down in Siberia between October and November 2024 largely owing to trends in non-food retail. Demand for public catering services was still elevated. Business price expectations rose. Given the unfavourable external environment, exports of coal and non-ferrous metals dropped, with finished product inventories being accumulated.

CONSUMPTION AND INCOMES. Growth in consumption slowed down in Siberia between October and November 2024 largely owing to trends in non-food retail. Siberian car dealers reported a steep drop in sales (even by more than 50% in certain cases) after strong performance in the previous months (before the increase in the recycling fee). According to Siberian retailers, sales of furniture, decor items, and construction materials were down too amid the termination of the non-targeted subsidised mortgage programme for new housing and high property prices. Manufacturers of furniture in the Altai Territory reported a sharp decrease in demand. Online consumption was nevertheless supported by the November sales and discounts. According to a Krasnoyarsk branch of a major marketplace, the number of online orders made in November increased by a year-high of 20% YoY.

PRICES. Annual inflation in Siberia slowed down and remained close to the country-wide rate over October. However, the monthly inflation rate (SA) in the macro-region edged up against September. The three-month average inflation rate in Siberia did not exceed the Russian average. The key driver of inflation was still food prices. Retail chains were raising prices for imported fruit and vegetables because of declining supplies and the higher cost of freight. Three-month ahead business price expectations rose to exceed the nationwide average, primarily driven by climbing costs. Price expectations of retailers, however, stayed around the Russian average.

MONETARY CONDITIONS AND BANKING SECTOR. Bank lending conditions toughened in Siberia between October and November in terms of both price and non-price components. Growth in corporate lending sped up in early October mainly backed by stronger demand from miners and metal makers. According to banks, large businesses continued to take out loans, first of all, to cover rising operating expenses and complete outstanding investment projects. Demand for SME loans declined. High interest rates and tougher macroprudential requirements moderated growth in consumer lending. Banks reported a steep drop in new car loans from the previous month's figures. According to the National Bureau of Credit Histories, October witnessed new car loans plummet by 42% MoM in the Krasnoyarsk Territory, 39% MoM in Kuzbass, and 33% MoM in the Novosibirsk Region. New mortgage loans continued to go down under the impact of high interest rates and tougher macroprudential requirements. Household deposits were growing moderately thanks to higher interest rates.

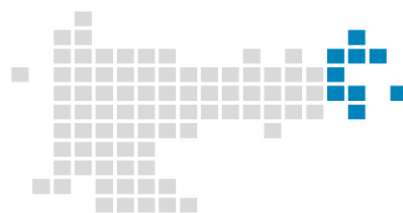
COAL PRODUCTION. Between August and October 2024, Siberian coal production lost 11% in annualised terms. Kuzbass – the major coal-mining region of Russia – accounted for over 80% of the decrease. The regional coal production had been down for more than one year. It fell by 15%

YoY from August to October 2024 due to declining exports (by 12% YoY in 2024 Q3). Apart from Kuzbass, there were drops in coal production (and exports) in the Novosibirsk Region and the Republics of Khakassia and Tyva. Siberian businesses associated the drop in exports with lower global coal prices, costly logistics, and limited transportation capacity. Exports were still profitable but primarily those via Far Eastern seaports. Other export routes – for example the North-Western route – had spare infrastructure capacity but the current market situation prevented exporters from increasing supplies via the Baltic Sea. The higher cost of coal production and more expensive logistics coupled with falling prices resulted in an increased loss. Siberian coal miners recorded losses over the first nine months of 2024 against profits in 2023. The share of loss-making companies was up to 53% (+10 pp YoY).

NON-FERROUS METALLURGY. Siberian metal makers reported moderate growth in the output of key industrial metals between August and October 2024 despite toughening sanctions. For instance, a large producer of non-ferrous metals managed to build up output by improving its production efficiency and increasing ore production volumes. The company completed large-scale repairs in the third quarter and consequently increased the productivity of equipment by 25%. However, the unfavourable external environment – falling metal prices, complicated logistics and cross-border payments – had an adverse effect on sales of metal products, causing the accumulation of their stocks. Another large metal maker reported moderate growth in output and decreases in exports. The growth in output was associated with the fact that the company's new production facilities were gradually approaching the designed capacity. The company's exports, however, lost 4% YoY between January and September 2024, in particular those to Europe where sales fell by over a third in annualised terms. Domestic supplies of the company's products gained 15% YoY thanks to a wider variety of uses but they were still significantly below exports.

PUBLIC CATERING. Public catering business increased by 7.5% YoY in Siberia between August and October 2024. The growth was driven by the development of new catering concepts and trends, as well as by the more active tourist traffic especially in tourism-focused areas (the Republics of Altai and Buryatia, the Altai Territory, and the Irkutsk Region). Strong demand for café and restaurant services, including food delivery, was registered in the Republic of Tyva, boasting the most rapidly developing tourism in Siberia (100% increase YoY). The opening of new catering outlets in the Republic of Altai was additionally boosted by the development of a new type of tourism – weekend food tours. Fast food and street food remained in great demand. For instance, the number of new fast food outlets increased nearly by 50% over twelve months in the Omsk Region. There was a rise in demand for ready meals and catering services. For instance, the Irkutsk Region saw some retail facilities being converted into event spaces with catering kitchen areas. According to Siberian businesses, the further development of the industry would be constrained by rising costs and labour shortages. In the Novosibirsk Region, demand for labour increased by a third in annualised terms in the Hotel/Restaurant/Café (HoReCa) sector over the first nine months of 2024. Consequently, wages were rising faster in HoReCa than across Siberia on average.

BANK OF RUSSIA FAR EASTERN MAIN BRANCH



Consumption edged up in the macro-region between October and November. Business price expectations rose. The labour market tightened. The capacity utilisation rates of seaports and warehouse facilities were down. Waiting times for shipment shortened, as the number of container trains to the western Russian regions increased. Coal production hit at least an eight-year high in the macro-region. Exports of oil and gas were still high and stayed around the 2023 and 2024 H1 average.

CONSUMPTION AND INCOMES. October saw consumption edge up MoM (SA) in the macro-region on account of retail and public catering. Demand for food products recovered after a drop in September. Consumption remained high in November, as shown by recent data. According to food retail chains, demand was still strong over November in the Primorye Territory. Sellers of household appliances and electronics reported continuing great demand in some regions. Car dealers registered a decrease in sales of new cars because of rising prices and lower appetite for car loans in the macro-region. The increased tourist traffic supported high demand in the hospitality sector. A Primorye-based restaurant witnessed a rise in demand for its services over November both YoY and MoM. Short-term demand expectations of retail and services companies were up in November.

PRICES. Annual inflation sped up over October in the macro-region to exceed the Russian average rate. The current inflation rate rose MoM (SA). The three-month average inflation rate was higher in the macro-region than in Russia as a whole. The reason was that owing to the increased tourism, flight ticket prices were going up faster in the macro-region, whereas across the country, they tended to go down in general. Prices for second-hand cars were also climbing more quickly in the macro-region than in Russia overall due to more robust demand and the increased recycling fee. Movements in prices for these cars had a stronger impact on inflation in the macro-region, as their share in the consumer basket was greater here than across Russia on average. November saw business price expectations rise more sharply in the macro-region than across the country, primarily in trade, driven by climbing input prices and the higher cost of goods deliveries to the macro-region.

MONETARY CONDITIONS AND BANKING SECTOR. The growth of the corporate loan portfolio continued to slow down MoM (SA) in early October. According to banks, both price and non-price lending conditions tightened in October and November, pushing down demand for new loans among large corporates and SMEs. The growth of the retail loan portfolio slowed down MoM (SA) in early November on account of both consumer and mortgage lending. As reported by banks, their rejection rates on consumer loans were up in October–November because of the toughening of macroprudential measures. Some banks registered continuing strong demand for credit cards. According to recent data, new mortgage loans remained at the October level in November. The growth of household funds accelerated over October. As shown by recent data, households still had appetite for bank deposits in November because of rising rates.

LABOUR MARKET. The unemployment rate hit a historical low for the macro-region in July and remained at this level from August to October. According to the Bank of Russia's recent survey,

two-thirds of surveyed businesses reported labour shortages in early December. A Primorye-based clothing factory reported a lack of garment workers and hence introduced a six-day working week to meet the increasing number of orders. A Sakhalin-based retailers started to engage full-time students to work part-time. Tough competition for workers made regional employers to raise wages. A large Primorye-based timber factory doubled wages for drivers of timber lorries over October. In addition to raising wages, businesses used other ways to recruit and retain workers. A company in the Jewish Autonomous Region started to provide interest-free loans to its employees. The Far Eastern branch of a federal railway company started to pay sign-on bonuses to those, who had used to work for the company and was ready to come back, and to fully cover rents for the members of locomotive crews.

LOGISTICS. The cargo traffic at Far Eastern seaports increased by 8.2% MoM (SA) mainly due to larger supplies of coal, container cargos, and oil and petroleum products. The container traffic hit a new high thanks to continuing high imports and increasing domestic deliveries. The capacity utilisation rates of warehouses and port terminals decreased almost by 25% by early November against August owing to a larger number of container trains, including those consisting of open wagons, headed from the Far East to the western regions in September and October. According to businesses, waiting times for shipment were nearly 50% shorter in October and November compared to September. Strong demand continued to push up prices for rail freight from Vladivostok to Moscow. However, the rail container freight to the Fast East was still complicated. Trade and transportation businesses noted that the number of approved rail transportation applications dropped by almost a third in November against October.

PRODUCTION AND EXPORTS OF FUEL AND ENERGY RESOURCES. Coal production continued to grow in the macro-region between July and October, hitting a record high in September. External demand was weak, as key consumers had high stocks. Transportation of export coal to Far Eastern ports lost 6.5% in 2024 Q3 compared to the 2024 H1 average. In the third quarter, prices for coal shipped from Far Eastern ports were approaching three-year lows. Coal prices edged up between October and November, as demand from Asian countries rose since the winter turned out to be colder than expected. Growth in prices was also driven by a drop in stocks at Far Eastern seaports following a reduction in rail deliveries as a result of the toughening of the regulation regarding the movement of empty freight cars. Gas production edged down YoY in the macro-region between July and October. As agreed with an Asian country, pipeline exports of gas were to be increased relative to the target in late 2024. Exports of oil and gas remained high from July to October. Growth in oil shipments from Far Eastern ports was driven by both stronger demand from Asian oil refineries and reduced supplies from the Middle East.

BOX 1

HOUSEHOLD INCOME: DRIVERS OF GROWTH AND EFFECT ON EXPENSES

Growth in household nominal income was faster in 2024, primarily driven by rising wages, as companies tried to recruit necessary staff to meet stronger domestic demand, including public demand, amid more acute labour shortages. To hire and retain staff, businesses were raising wages, with most noticeable rises registered in manufacturing and certain types of trade. The high pace of growth in wages made it possible for households to noticeably increase consumption and savings at the same time.

HOUSEHOLD INCOME EVOLUTION AND COMPOSITION IN 2024

The annual growth of household income (HI) in nominal terms was up in 2024 Q1–Q3 YoY. Between January and September 2024, the HI annual growth came in at 17%, whereas it did not exceed 11% in January–September 2023. The key drivers were rising wages and social allowances. The high rates of the HI growth were recorded in all federal districts between January and September, with the sharpest rise registered in the Central Federal District (18.7%). The Far East and the North Caucasus witnessed slightly slower rates of the HI growth (16.2% each) than in Russia on average. The HI growth rate exceeded the 2019–2023 averages in real terms over the third quarter.

The share of labour compensation in the HI composition was up. Between January and September 2024, it exceeded the averages for respective periods in 2019–2023 (Chart B-1-1).

Rises in social allowances – the second important source of income – were largely fuelled by increases in one-off payments to military contractors and the extended support to servicemen’s families. Numerous regions also expanded other social support measures this year. Some of them raised regional ‘baby bonuses’ in particular.

The 2024 indexation of insurance pensions to non-working pensioners and social pensions had a lesser effect on the HI evolution. Growth in the average pension payable to working pensioners rose between January and September 2024 by 10% in Russia overall and by a maximum of 11.4% in southern regions. The proportion of working pensioners to the total number of pensioners registered by the Social Fund of Russia increased over the three quarters of 2024 in all macro-regions.

In 2025, the growth rates of various pension categories will depend on the parameters of the scheduled indexation. Social pensions⁴ and pensions under government pension provision⁵ will be increased to a greater extent (by 14.75% from 1 April 2025). Old-age insurance pensions⁶ to working and non-working pensioners will be raised by 7.3% from 1 January 2025. Moreover, additional

⁴ Social pension is an amount payable under government pension provision to disabled people, children, people unable to work because of disability, and pensioners who are not eligible for seniority payments.

⁵ Pension under government pension provision is an amount payable to federal civil servants, servicemen and members of their families, people affected by the Chernobyl disaster and other radiation and industrial catastrophes and members of their families, people unable to work because of disability, and members of volunteer military units.

⁶ Insurance pension is an amount payable on a monthly basis to compensate people for their wages and other payments they have lost as a result of retiring from work because of old age, disability, or the loss of breadwinner.

amounts payable to pensioners for the period from 2016 to 2024, when no indexation has taken place, will be calculated and paid out to working pensioners as soon as they retire from work.

Income from property and business and other activity played a greater role in the HI of Russian people in 2024. The shares of these sources of income averaged 8.3% and 7.0%, respectively, between January and September 2024 and exceeded the average values for the respective periods in 2019–2023. The situation in individual macro-regions, however, differed from that in Russia overall. Specifically, the Far Eastern and Urals Federal Districts saw the share of income from business activity in the HI composition go below the average values for the respective periods in 2022–2023.

2024 PAY TRENDS

Rising wages were major contributors to the HI growth in 2024. In nominal terms, they rose slightly faster than income in general. Between January and September, nominal accrued wages rose by 18% on average in annualised terms (Chart B-1-2). The average growth hit a nine-year high of 21.6% in March. The average three-quarter rise in wages was highest in Volga-Vyatka and lowest in the North-West in annualised terms this year. In real terms, wages increased much more from January to September 2024 than in 2019–2023 on average.

The survey of businesses conducted by the Bank of Russia in November 2024 showed that almost all respondents (93%) raised wages of their employees (Chart B-1-3), with 43% of surveyed companies increasing wages by 10–20%, about 38% – by up to 10%, and 19% – by over 20%. Nevertheless, the share of labour costs in the total cost of goods and services sold was stable and approached five-year averages in 2024.

In 2024, the highest wage increases were registered in manufacturing and some types of trade, where demand was rising faster and labour shortages were more acute. In manufacturing, this was largely driven by growing public demand. Companies needed even more workers to build up output to meet public procurement orders. For instance, appreciable rises in wages coupled with considerable growth in business were registered in the textiles industry, metallurgy, the manufacture of metal products, cars and other vehicles, and other machinery and equipment.

Robust consumer demand and an aggressive expansion into regions by national retail chains boosted dramatic growth in wages in trade, with the sharpest rises in the Far East, Siberia, and the South.

September saw no sustainable slowdown in the growth of wages across Russia overall (MoM SA), however, trends diverged at a sectoral level. Certain industries, including manufacturing, agriculture, the financial and insurance sectors, as well as information and telecommunications, witnessed the monthly growth in wages edge down against September (SA) after the two waves of acceleration over 2024.

ADJUSTMENT OF REMUNERATION SYSTEM FOR COMPETITION IN LABOUR MARKET

Stiff competition for workers enabled employees to actively leave one company for another. The indexation of wages was the key tool to attract and retain staff. Consequently, most companies in manufacturing raised wages several times over this year, including by applying a differentiated approach to different positions.

Companies' efforts to build up output amid staff shortages also affected the level of labour compensation. Numerous businesses reported increases in the intensity of labour. Work on weekends and additional, including night, shifts were paid at a higher rate. At some enterprises,

employees worked multiple jobs and positions and took on extra functions for additional compensation. Those companies that were focused on improving labour productivity managed to improve the competitiveness of their wages. For instance, the implementation of lean techniques within the national project Labour Productivity made it possible for some Siberian manufacturing businesses to considerably raise the median pay for vacant positions from the 2023 figure.

As the indexation of wages did not always help employers recruit and retain staff, they offered extra financial and non-financial incentives. As for financial incentives, large businesses were widely offering various options to compensate their employees for mortgage payments and provide them and their families with accommodation if they relocated from other regions. In the latter case, some companies compensated their workers for other relocation expenses. To cut the cost of transportation and recruitment, some firms were implementing residential development projects for employees in the Ivanovo Region. A Voronezh-based enterprise offered a programme whereby employees might buy a residential property at a preferential price provided that they undertook to work for the group for ten years.

Various options of employee referral programmes were commonly used to hire staff. They provided for payments to employees for successful referrals of new applicants or former staff. Popular incentives included employee training at the employer's cost, corporate vehicles, free meals, mobile phone payments, and workplace conveniences.

Businesses were actively expanding employee benefit packages by including additional services in voluntary medical insurance policies and covering payments for fitness memberships. Corporate measures of social support to families with children – such as kindergarten allowances, payments for preparations for the new academic year, children's recreation and event tickets – were gaining in importance.

2025 PAY EXPECTATIONS OF COMPANIES

Most companies surveyed by the Bank of Russia (75%) intended to continue raising wages in the year to come, given the persistently tight labour market (Chart B-1-5). However, some of the respondents planned to raise wages in 2025 to a lesser extent than in 2024. Plans to raise wages were announced by 83% of surveyed agricultural companies, 79% of industrial enterprises, and 64% of trade businesses. According to some respondents, they were going to use the value of the forthcoming indexation of the minimum monthly wage as a benchmark (a 16.6% increase from 1 January 2025). Some regions tended to raise wages proactively. They increased wages at the end of this year ahead of the indexation of the minimum monthly wage.

EFFECT OF ADDITIONAL INCOME ON HOUSEHOLD SPENDING IN 2024

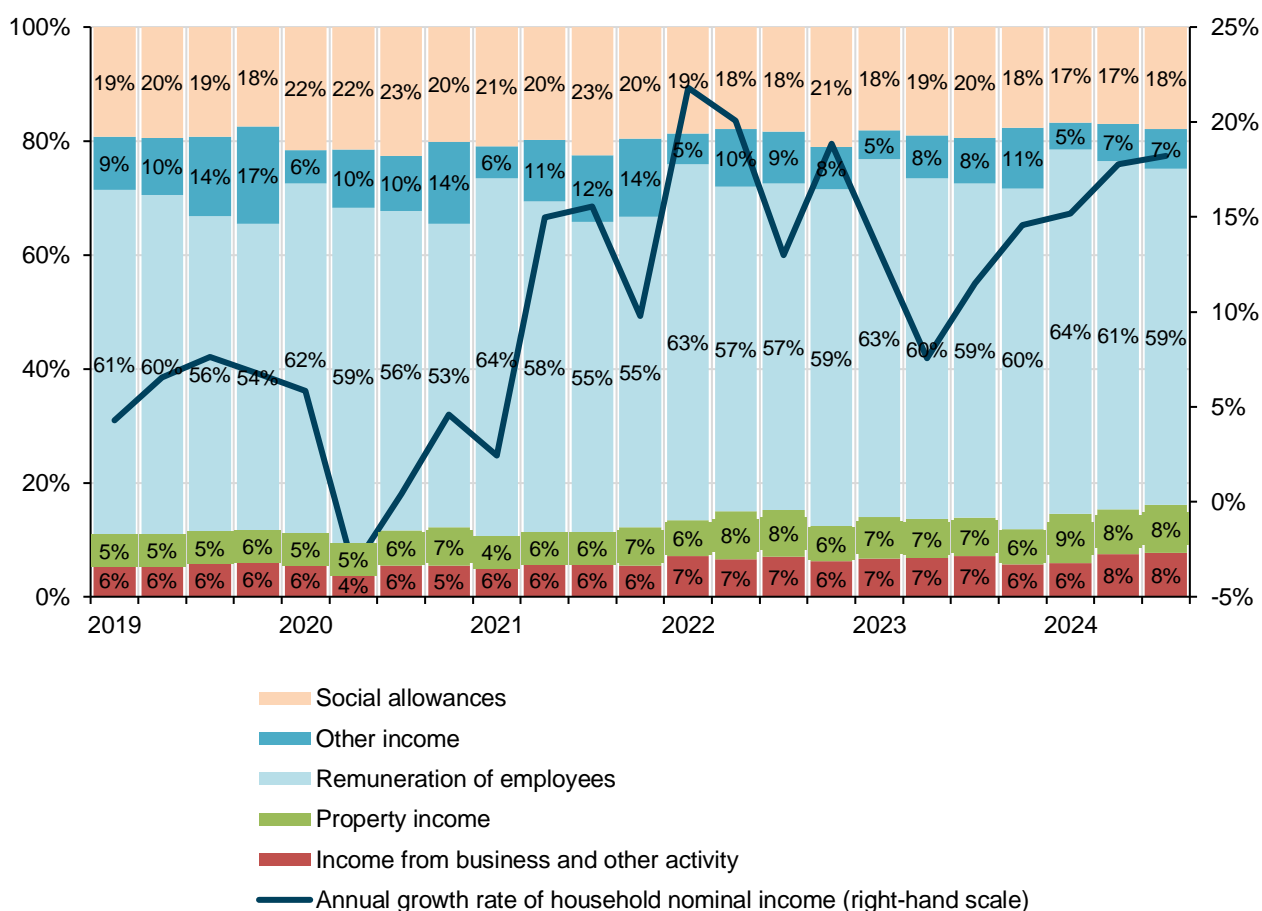
Households increased both their consumer spending and savings thanks to rising income. Household propensity to save rose YoY between January and September 2024 (Chart B-1-6). Rising income also boosted growth in household propensity to consume in 2024. According to retailers, Russian people whose income increased significantly did not tend to save on purchases and chose more expensive goods.

Growth in Russian household income was supported by increases in household financial assets over 2024 H1 (by 22.6% YoY in 2024 Q1 and 16.6% YoY in 2024 Q2) (Chart B-1-7). These were mainly fuelled by purchases of foreign cash and new deposits (the annual growth of these assets was 128% and 16% in the first and second quarters, respectively). The key driver of the growth in these assets was greater appetite for bank deposits amid rising interest rates (Chart B-1-8). The said assets accounted for significant portions in total household financial assets (74% and 69% in the first and second quarters, respectively). Free cash was also invested in life and other insurance, non-governmental pension funds, and debt securities. The higher proportion of investment in financial

assets to total household income uses suggests that consumer spending on goods and services may carry on rising in 2025 even if the growth in wages slows down.

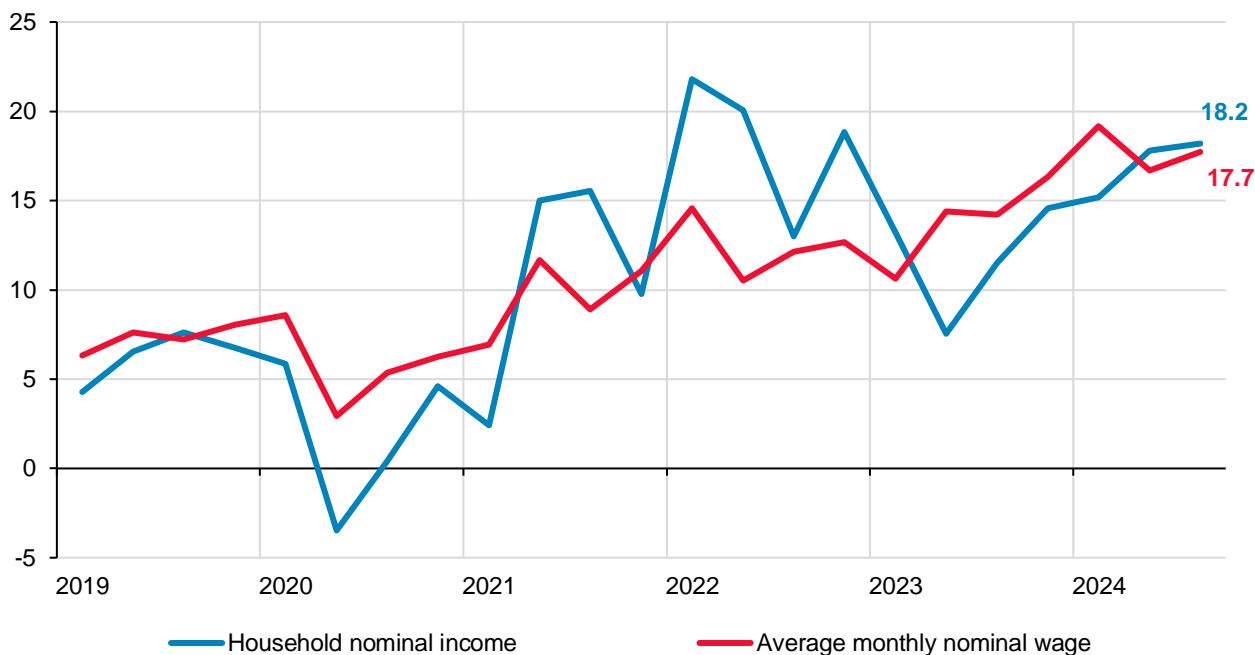
Rising wages were the key drivers of the fast growth in household income in 2024. Stiff competition for workers pushed up their pay expectations, regardless of their qualifications. Rising wages in the industries with severe staff shortages spurred companies in other industries to raise wages by the same or greater percentage to retain their employees. The annual growth rate of real wages stayed above the 2023 average. Nevertheless, businesses planned to raise wages in 2025 less frequently than in 2024, according to surveys.

Chart B-1-1. Composition (% of total income) and growth rate (% YoY) of household nominal income



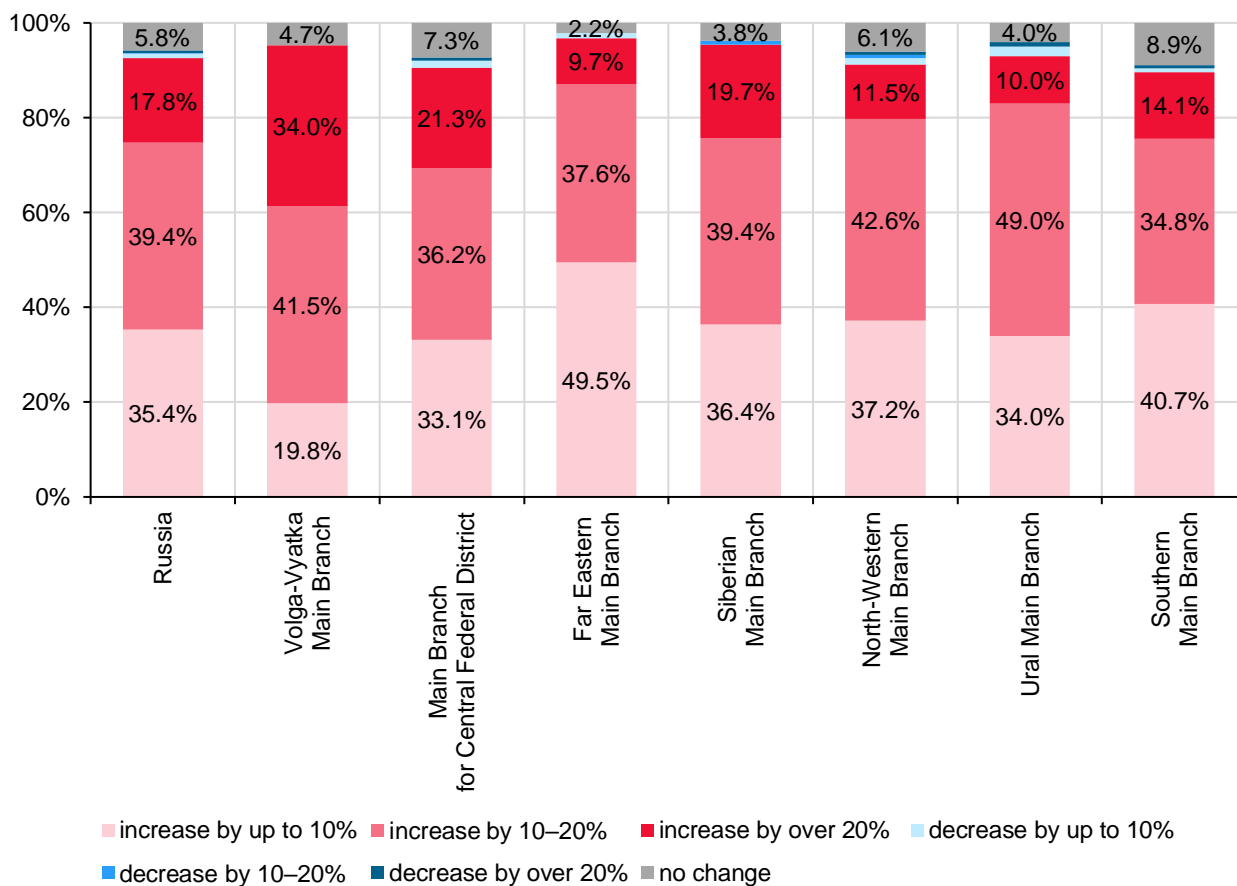
Sources: Rosstat, Bank of Russia calculations.

Chart B-1-2. Annual growth of nominal income and average monthly nominal wage accrued over quarter on average (%)



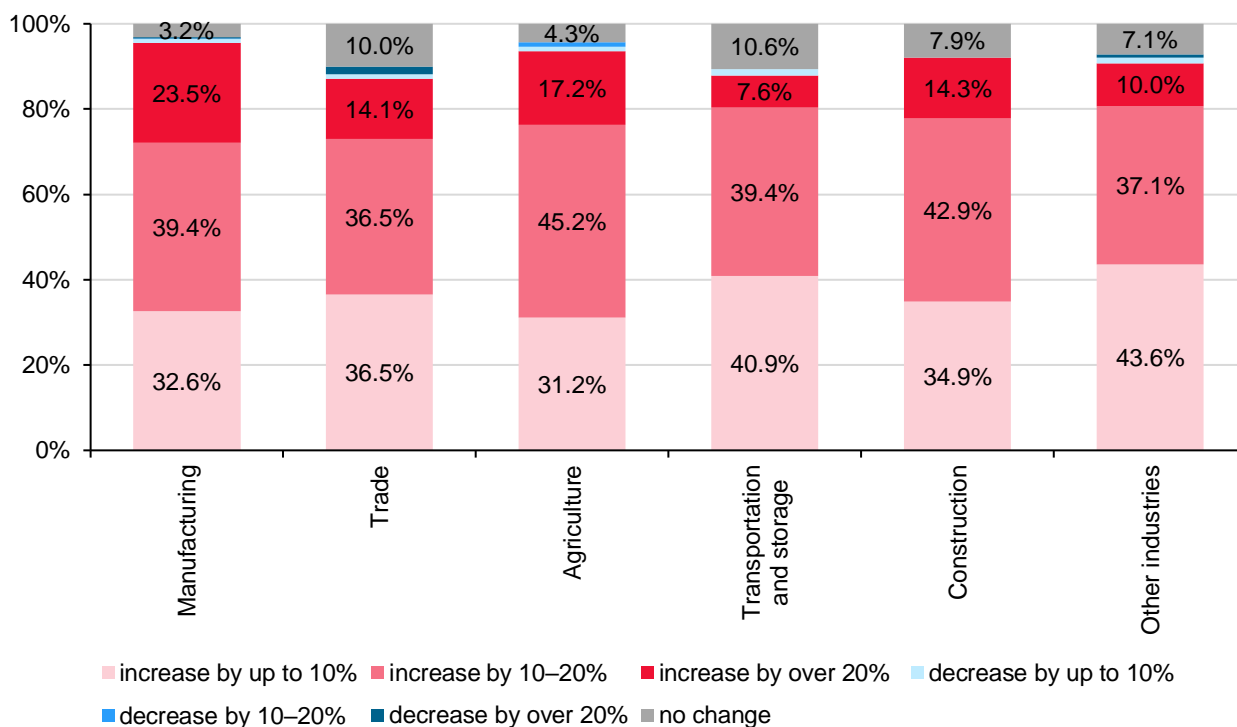
Sources: Rosstat, Bank of Russia calculations.

Chart B-1-3. Changes in labour costs in 2024 vs 2023 by macro-region, % of respondents (as per survey conducted in November 2024)



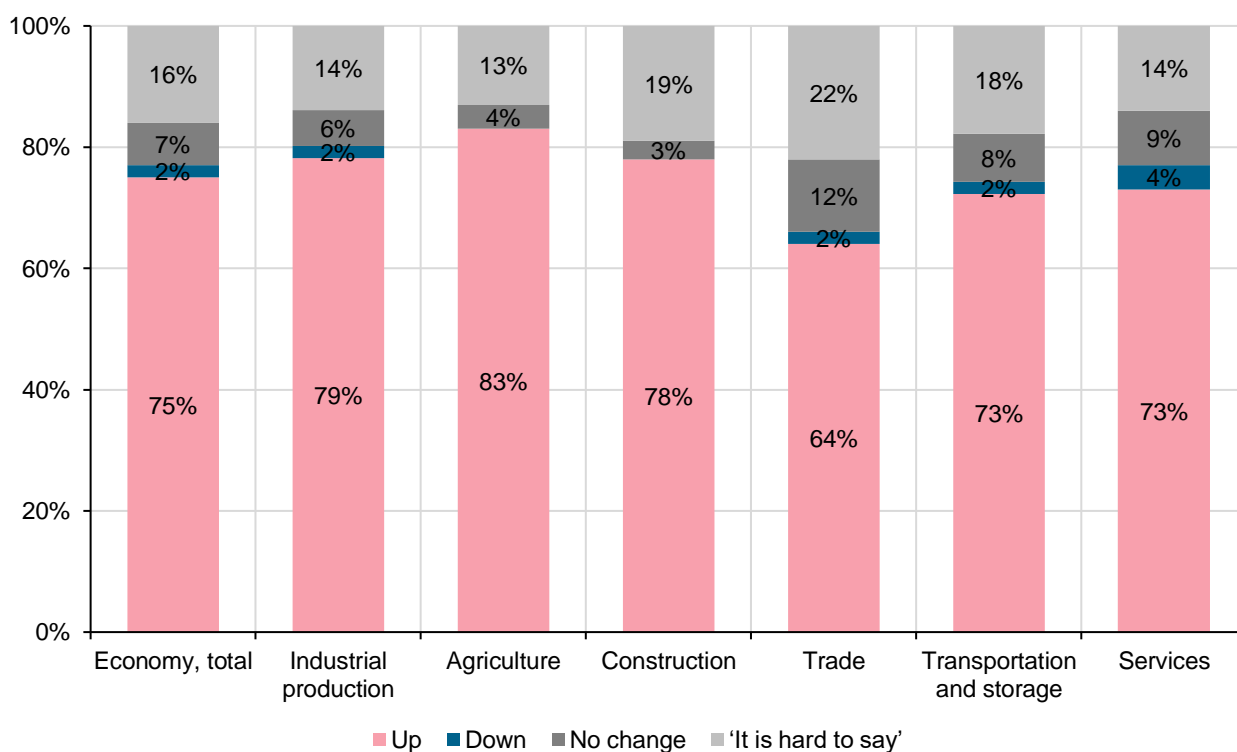
Sources: monitoring of businesses, Bank of Russia.

Chart B-1-4. Changes in labour costs in 2024 vs 2023 by industry, % of respondents (as per survey conducted in November 2024)



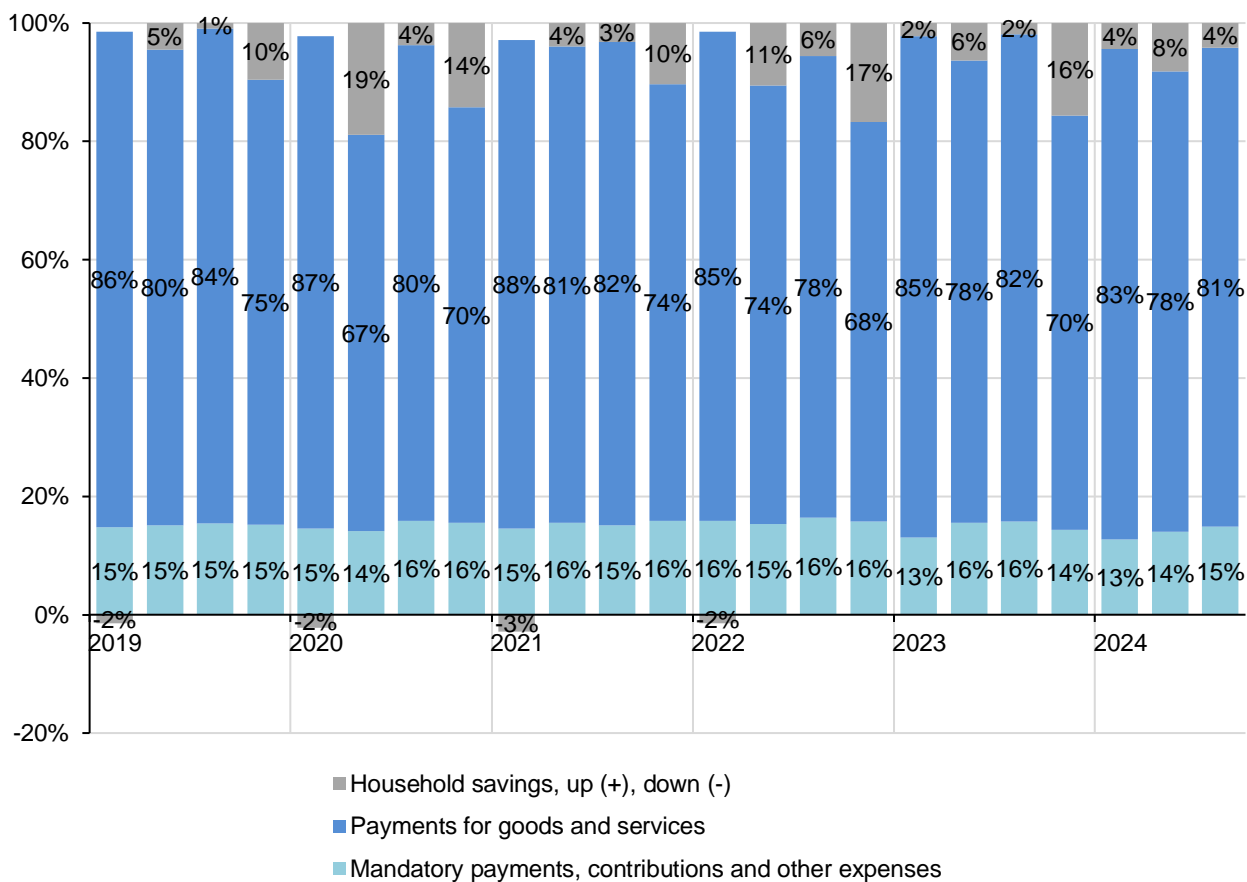
Sources: monitoring of businesses, Bank of Russia.

Chart B-1-5. Changes in labour costs in 2025 vs 2024 by industry, % of respondents (as per survey conducted in November 2024)



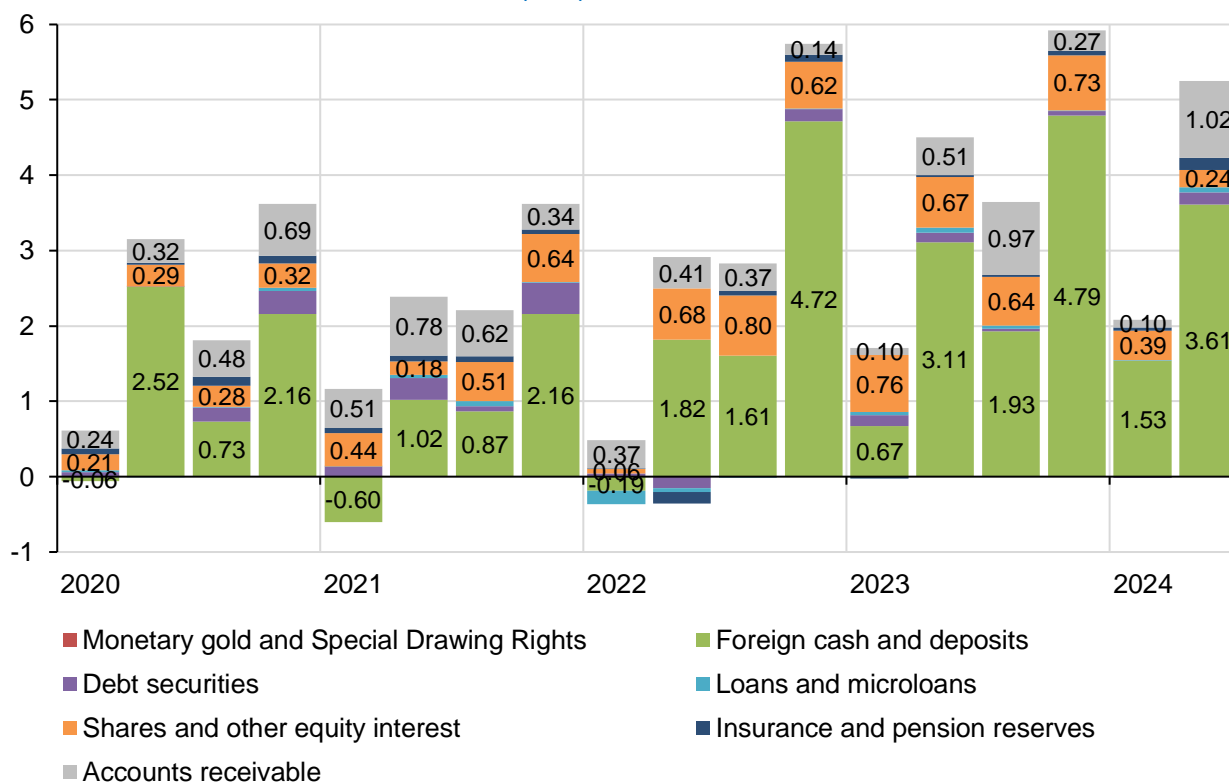
Sources: monitoring of businesses, Bank of Russia.

Chart B-1-6. Use of household income (%)



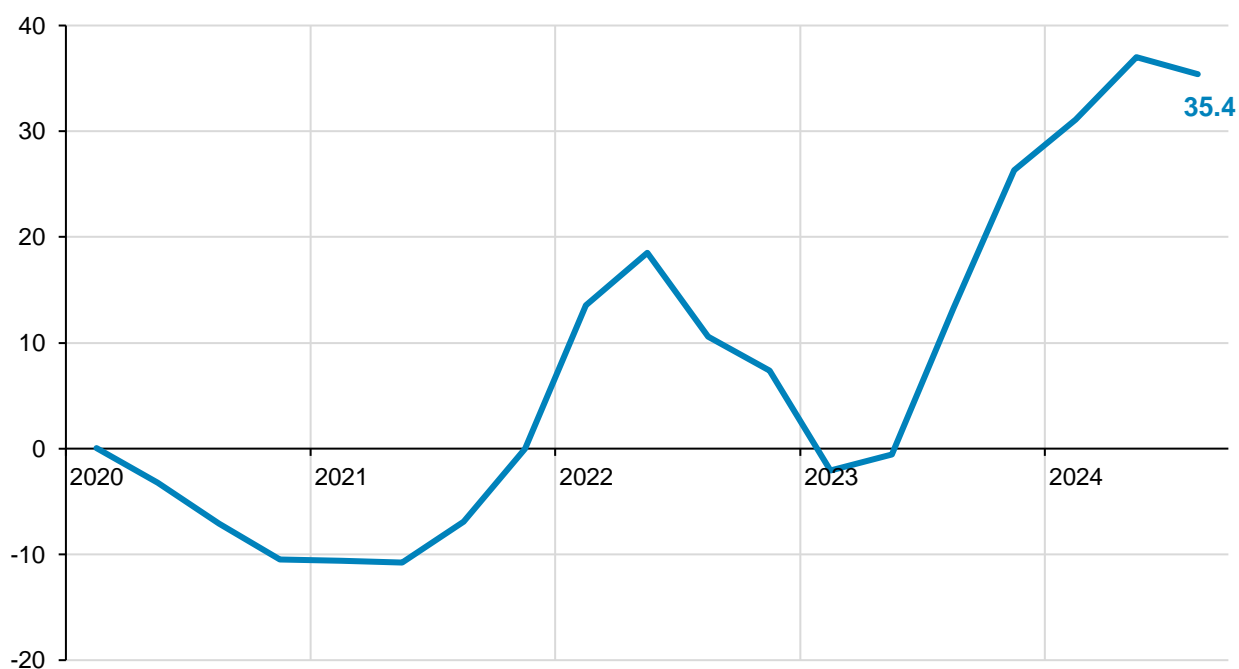
Sources: Rosstat, Bank of Russia calculations.

Chart B-1-7. Household financial assets (₽ tn)



Source: Bank of Russia.

Chart B-1-8. Annual growth of household time deposit portfolio, adjusted for foreign currency revaluation (%)



Source: Bank of Russia.

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|--|---|
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| | Industry focus. Air transport |

| | |
|--|--|
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| | Regional budgets: 2022 results and 2023 plans |
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| | Monetary conditions and credit and deposit markets |

| | |
|--|--|
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| 2021 | Regional budgets in 2020 and expectations for 2021 |

| | |
|-------------------|---|
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| 4 February | |
| 2021 | Housing market and its regional specifics in 2020 |

| | |
|-----------------|--|
| No. 1 | |
| 18 | |
| December | Consumer demand: the impact of the worsening epidemiological situation |
| 2020 | |

ANNEX

CORE ECONOMIC INDICATORS

Core indicators. Russia

Table 1

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|------|------|------|------|------|------|------|------|
| | | Q3 | Q4 | Q1 | Q2 | Q3 | | | | | |
| Inflation | % YoY | 11.9 | 7.4 | 6.0 | 7.4 | 7.7 | 8.6 | 8.6 | 8.6 | 8.5 | |
| Core inflation | % YoY | 14.3 | 6.8 | 4.6 | 6.8 | 7.8 | 8.7 | 8.3 | 8.3 | 8.2 | |
| Industrial production | 3MMA, % YoY | 0.7 | 4.1 | 6.3 | 4.9 | 5.7 | 4.4 | 3.1 | 3.1 | 3.6 | |
| Fixed capital investment | Cumulative, % YoY | 6.7 | 9.8 | 10.5 | 9.8 | 14.5 | 10.9 | 8.6 | | | |
| Construction | 3MMA, % YoY | 7.5 | 7.9 | 7.5 | 6.6 | 3.5 | 4.0 | 0.2 | 0.2 | 0.1 | |
| Housing commissioning | 3MMA, % YoY | 11.0 | 7.5 | 4.1 | 30.3 | 1.5 | 3.8 | 0.4 | 0.4 | -2.6 | |
| Retail | 3MMA, % YoY | -6.5 | 8.0 | 14.0 | 11.6 | 10.4 | 7.5 | 5.9 | 5.9 | 5.5 | |
| Commercial services | 3MMA, % YoY | 5.0 | 6.9 | 7.9 | 6.8 | 3.6 | 4.2 | 2.7 | 2.7 | 2.4 | |
| Real wages | 3MMA, % YoY | 0.3 | 8.2 | 8.6 | 8.6 | 10.8 | 7.8 | 8.1 | 8.1 | | |
| Real disposable income | % YoY | 4.0 | 5.6 | 6.0 | 6.9 | 7.1 | 8.8 | 8.5 | | | |
| Unemployment | % SA | 4.0 | 3.2 | 3.0 | 2.9 | 2.7 | 2.6 | 2.5 | 2.5 | 2.4 | |
| Outstanding consumer loans | % YoY | 2.5 | 16.3 | 16.9 | 16.3 | 18.2 | 19.4 | 15.0 | 15.0 | 13.0 | |
| Outstanding mortgage loans | % YoY | 17.7 | 30.1 | 29.1 | 30.1 | 27.7 | 24.8 | 13.8 | 13.8 | 9.8 | |
| Funds in escrow accounts | % YoY | 32.7 | 38.4 | 30.0 | 38.4 | 37.6 | 47.9 | 27.5 | 27.5 | 21.7 | |
| Non-financial organisations' outstanding bank loans | % YoY | 19.7 | 24.6 | 26.1 | 24.6 | 23.2 | 24.0 | 21.4 | 21.4 | | |
| • Large borrowers | % YoY | 17.6 | 23.6 | 24.9 | 23.6 | 22.3 | 23.5 | 21.1 | 21.1 | | |
| • SMEs | % YoY | 29.9 | 28.9 | 31.1 | 28.9 | 26.9 | 25.8 | 23.0 | 23.0 | | |
| Companies' price expectations | Balance of responses, p, SA | 21.7 | 19.5 | 21.6 | 22.9 | 20.0 | 20.4 | 21.8 | 22.0 | 23.4 | 26.0 |
| Business Climate Index | p, SA | -0.1 | 6.8 | 6.3 | 7.1 | 8.3 | 10.5 | 6.0 | 4.7 | 5.3 | 5.5 |
| • Current estimates | p, SA | -6.1 | 1.1 | 1.2 | 0.5 | 1.6 | 5.7 | 0.3 | -2.3 | -0.6 | -0.4 |
| • Expectations | p, SA | 6.0 | 12.6 | 11.4 | 13.9 | 15.1 | 15.4 | 11.8 | 11.8 | 11.5 | 11.6 |

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

Core indicators. Main Branch for the Central Federal District

Table 2

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|-------|------|------|------|-------|------|------|------|------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 12.5 | 7.4 | 6.1 | 7.4 | 7.6 | 8.8 | 9.2 | 9.2 | 9.1 | |
| Core inflation | % YoY | 14.9 | 7.0 | 4.8 | 7.0 | 7.8 | 9.0 | 8.6 | 8.6 | 8.5 | |
| Industrial production | 3MMA, % YoY | 9.2 | 16.0 | 19.5 | 20.3 | 10.5 | 12.7 | 11.0 | 11.0 | 11.8 | |
| Fixed capital investment | Cumulative, % YoY | 1.9 | 3.6 | 5.3 | 3.6 | 14.2 | 7.3 | 7.9 | | | |
| Construction | 3MMA, % YoY | 7.8 | 9.0 | 7.4 | 9.6 | 2.6 | -0.3 | -1.4 | -1.4 | -3.1 | |
| Housing commissioning | 3MMA, % YoY | 12.6 | 0.3 | -7.2 | 35.9 | -17.9 | -3.1 | 6.0 | 6.0 | -1.0 | |
| Retail | 3MMA, % YoY | -10.5 | 6.7 | 13.6 | 14.6 | 11.4 | 7.1 | 5.4 | 5.4 | 4.7 | |
| Commercial services | 3MMA, % YoY | 7.3 | 9.6 | 10.9 | 10.0 | 6.2 | 6.0 | 2.1 | 2.1 | 1.4 | |
| Real wages | 3MMA, % YoY | -0.9 | 6.8 | 8.0 | 9.8 | 12.4 | 7.5 | 8.0 | 8.0 | | |
| Real disposable income | % YoY | 3.0 | 7.2 | 7.5 | 11.6 | 9.6 | 8.9 | 10.0 | | | |
| Unemployment | % SA | 3.0 | 2.5 | 2.4 | 2.3 | 2.0 | 1.8 | 1.7 | 1.7 | 1.6 | |
| Outstanding consumer loans | % YoY | 2.7 | 16.0 | 16.5 | 16.0 | 17.0 | 18.9 | 14.2 | 14.2 | 12.0 | |
| Outstanding mortgage loans | % YoY | 16.9 | 25.0 | 24.0 | 25.0 | 23.6 | 21.3 | 11.5 | 11.5 | 7.2 | |
| Funds in escrow accounts | % YoY | 39.6 | 24.9 | 25.5 | 24.9 | 26.6 | 38.4 | 24.4 | 24.4 | 20.7 | |
| Non-financial organisations' outstanding bank loans | % YoY | 15.6 | 24.5 | 24.5 | 24.5 | 21.7 | 22.3 | 21.1 | 21.1 | | |
| • Large borrowers | % YoY | 13.2 | 24.2 | 23.9 | 24.2 | 21.4 | 22.1 | 20.1 | 20.1 | | |
| • SMEs | % YoY | 30.1 | 26.2 | 27.2 | 26.2 | 23.3 | 23.1 | 26.2 | 26.2 | | |
| Companies' price expectations | Balance of responses, p, SA | 28.3 | 25.7 | 29.3 | 31.3 | 25.8 | 27.3 | 28.8 | 28.8 | 30.9 | 33.1 |
| Business Climate Index | p, SA | 0.2 | 6.7 | 6.0 | 9.4 | 10.0 | 7.8 | 3.6 | 2.9 | 5.9 | 5.0 |
| • Current estimates | p, SA | -6.3 | 0.5 | 0.1 | 2.4 | 3.9 | 2.6 | -2.7 | -5.1 | -1.4 | -2.6 |
| • Expectations | p, SA | 6.9 | 13.0 | 12.1 | 16.5 | 16.3 | 13.1 | 10.1 | 11.3 | 13.5 | 12.9 |

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

Core indicators. Bank of Russia North-Western Main Branch

Table 3

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|------|------|------|-------|------|------|-------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 11.9 | 7.1 | 5.9 | 7.1 | 7.4 | 8.1 | 8.1 | 8.1 | 7.9 | |
| Core inflation | % YoY | 14.7 | 6.4 | 4.3 | 6.4 | 7.5 | 8.3 | 8.1 | 8.1 | 7.8 | |
| Industrial production | 3MMA, % YoY | 0.5 | 4.9 | 8.4 | 5.8 | 7.7 | 5.4 | 4.8 | 4.8 | 6.3 | |
| Fixed capital investment | Cumulative, % YoY | -2.2 | 4.3 | 7.5 | 4.3 | 17.7 | 19.4 | 14.1 | | | |
| Construction | 3MMA, % YoY | -3.6 | 2.1 | 8.2 | 1.7 | 1.0 | 13.3 | -2.5 | -2.5 | 0.2 | |
| Housing commissioning | 3MMA, % YoY | 8.4 | 1.7 | 15.7 | 12.2 | 8.3 | -17.7 | -4.8 | -4.8 | -10.1 | |
| Retail | 3MMA, % YoY | -6.3 | 13.1 | 19.8 | 19.2 | 8.2 | 5.0 | 2.2 | 2.2 | 1.3 | |
| Commercial services | 3MMA, % YoY | 4.8 | 10.2 | 11.4 | 9.6 | 0.8 | 1.2 | 0.1 | 0.1 | -0.4 | |
| Real wages | 3MMA, % YoY | 0.4 | 6.1 | 7.5 | 6.6 | 7.6 | 5.4 | 6.1 | 6.1 | | |
| Real disposable income | % YoY | 3.2 | 4.0 | 3.4 | 1.8 | 9.8 | 9.1 | 8.2 | | | |
| Unemployment | % SA | 3.3 | 2.7 | 2.5 | 2.4 | 2.5 | 2.2 | 2.1 | 2.1 | 2.0 | |
| Outstanding consumer loans | % YoY | 1.7 | 13.5 | 14.9 | 13.5 | 15.1 | 15.8 | 11.5 | 11.5 | 9.7 | |
| Outstanding mortgage loans | % YoY | 15.3 | 23.0 | 21.8 | 23.0 | 21.7 | 19.3 | 10.2 | 10.2 | 6.0 | |
| Funds in escrow accounts | % YoY | 32.4 | 25.7 | 16.7 | 25.7 | 18.6 | 27.1 | 6.7 | 6.7 | 1.7 | |
| Non-financial organisations' outstanding bank loans | % YoY | 45.4 | 29.6 | 51.4 | 29.6 | 35.3 | 33.0 | 22.1 | 22.1 | | |
| • Large borrowers | % YoY | 46.1 | 32.3 | 53.3 | 32.3 | 36.6 | 34.3 | 26.2 | 26.2 | | |
| • SMEs | % YoY | 42.0 | 16.3 | 42.6 | 16.3 | 28.1 | 25.5 | 0.2 | 0.2 | | |
| Companies' price expectations | Balance of responses, p, SA | 24.0 | 21.8 | 24.1 | 25.8 | 21.2 | 25.5 | 27.3 | 27.1 | 25.1 | 29.7 |
| Business Climate Index | p, SA | -4.5 | 2.9 | 2.5 | 5.2 | 6.2 | 5.8 | 5.0 | 3.7 | 3.8 | 3.9 |
| • Current estimates | p, SA | -9.8 | -2.7 | -2.4 | -0.9 | -0.6 | 0.5 | 0.2 | -2.2 | -1.9 | -1.8 |
| • Expectations | p, SA | 1.1 | 8.7 | 7.5 | 11.5 | 13.3 | 11.2 | 10.0 | 9.8 | 9.7 | 9.7 |

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

Core indicators. Bank of Russia Volga-Vyatka Main Branch

Table 4

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|-------|------|------|------|------|------|-------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 12.4 | 7.1 | 5.9 | 7.1 | 7.3 | 8.2 | 8.4 | 8.4 | 8.3 | |
| Core inflation | % YoY | 14.7 | 6.6 | 4.4 | 6.6 | 7.4 | 8.2 | 8.0 | 8.0 | 7.9 | |
| Industrial production | 3MMA, % YoY | 3.0 | 9.0 | 12.1 | 8.8 | 7.6 | 5.5 | 5.0 | 5.0 | 6.4 | |
| Fixed capital investment | Cumulative, % YoY | 4.7 | 18.3 | 15.4 | 18.3 | 19.0 | 13.5 | 2.6 | | | |
| Construction | 3MMA, % YoY | 12.0 | 13.7 | 12.4 | 3.6 | 0.6 | 3.6 | -7.5 | -7.5 | -13.2 | |
| Housing commissioning | 3MMA, % YoY | 3.8 | 9.9 | -10.4 | 33.7 | 7.8 | -1.0 | -8.7 | -8.7 | 1.2 | |
| Retail | 3MMA, % YoY | -3.6 | 10.1 | 13.4 | 13.5 | 11.0 | 8.7 | 6.5 | 6.5 | 5.5 | |
| Commercial services | 3MMA, % YoY | 3.6 | 4.5 | 5.0 | 4.2 | 4.7 | 5.5 | 3.4 | 3.4 | 2.9 | |
| Real wages | 3MMA, % YoY | 0.8 | 11.8 | 11.9 | 10.9 | 12.5 | 10.2 | 12.0 | 12.0 | | |
| Real disposable income | % YoY | 4.0 | 4.7 | 3.7 | 4.9 | 11.0 | 9.1 | 10.1 | | | |
| Unemployment | % SA | 3.2 | 2.4 | 2.2 | 2.1 | 2.0 | 1.9 | 1.8 | 1.8 | 1.8 | |
| Outstanding consumer loans | % YoY | 1.2 | 17.8 | 17.3 | 17.8 | 20.8 | 22.2 | 18.3 | 18.3 | 16.3 | |
| Outstanding mortgage loans | % YoY | 15.4 | 32.1 | 30.6 | 32.1 | 29.6 | 26.9 | 14.8 | 14.8 | 11.5 | |
| Funds in escrow accounts | % YoY | 11.6 | 47.9 | 26.5 | 47.9 | 50.5 | 63.3 | 35.6 | 35.6 | 27.3 | |
| Non-financial organisations' outstanding bank loans | % YoY | 11.0 | 18.3 | 15.1 | 18.3 | 16.1 | 16.7 | 21.6 | 21.6 | | |
| • Large borrowers | % YoY | 8.0 | 12.2 | 8.8 | 12.2 | 9.5 | 12.8 | 27.2 | 27.2 | | |
| • SMEs | % YoY | 18.8 | 32.5 | 29.8 | 32.5 | 31.1 | 25.0 | 9.7 | 9.7 | | |
| Companies' price expectations | Balance of responses, p, SA | 28.6 | 26.2 | 30.6 | 30.0 | 25.0 | 28.2 | 29.4 | 29.2 | 29.8 | 33.3 |
| Business Climate Index | p, SA | 1.0 | 9.3 | 8.4 | 10.7 | 10.7 | 13.2 | 9.4 | 7.2 | 7.3 | 6.8 |
| • Current estimates | p, SA | -6.6 | 2.4 | 2.4 | 3.3 | 3.9 | 8.2 | 3.2 | -1.3 | 0.3 | 0.6 |
| • Expectations | p, SA | 8.8 | 16.4 | 14.5 | 18.4 | 17.7 | 18.3 | 15.8 | 16.1 | 14.6 | 13.3 |

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

Core indicators. Bank of Russia Southern Main Branch

Table 5

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|------|------|-------|------|------|------|------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 11.7 | 7.8 | 6.7 | 7.8 | 7.8 | 8.7 | 8.6 | 8.6 | 8.5 | |
| Core inflation | % YoY | 14.4 | 6.8 | 4.9 | 6.8 | 7.9 | 8.7 | 8.0 | 8.0 | 7.8 | |
| Industrial production | 3MMA, % YoY | 5.3 | 4.5 | 9.7 | 0.2 | 8.1 | 1.9 | -1.7 | -1.7 | -2.1 | |
| Fixed capital investment | Cumulative, % YoY | 8.7 | 8.1 | 11.3 | 8.1 | 19.8 | 13.3 | 16.5 | | | |
| Construction | 3MMA, % YoY | 6.9 | 4.1 | -2.0 | -7.3 | -14.2 | 14.0 | 19.9 | 19.9 | 21.1 | |
| Housing commissioning | 3MMA, % YoY | 18.0 | 11.3 | 23.1 | 40.3 | 11.4 | 37.6 | -1.9 | -1.9 | -3.6 | |
| Retail | 3MMA, % YoY | -2.4 | 10.9 | 19.5 | 6.3 | 11.1 | 7.5 | 7.5 | 7.5 | 8.8 | |
| Commercial services | 3MMA, % YoY | 5.3 | 3.2 | 4.2 | 2.5 | 2.7 | 4.6 | 4.3 | 4.3 | 4.2 | |
| Real wages | 3MMA, % YoY | -0.9 | 8.1 | 6.9 | 6.1 | 7.5 | 9.6 | 8.1 | 8.1 | | |
| Real disposable income | % YoY | 4.3 | 4.0 | 5.0 | 0.7 | 6.8 | 8.9 | 9.2 | | | |
| Unemployment | % SA | 6.4 | 5.3 | 5.2 | 5.1 | 4.9 | 4.8 | 4.6 | 4.6 | 4.5 | |
| Outstanding consumer loans | % YoY | 3.1 | 19.8 | 18.9 | 19.8 | 23.0 | 24.6 | 19.7 | 19.7 | 17.9 | |
| Outstanding mortgage loans | % YoY | 24.9 | 43.4 | 43.2 | 43.4 | 38.7 | 35.3 | 21.8 | 21.8 | 17.2 | |
| Funds in escrow accounts | % YoY | 25.1 | 106 | 71.3 | 106 | 102 | 95.0 | 54.7 | 54.7 | 40.8 | |
| Non-financial organisations' outstanding bank loans | % YoY | 27.2 | 21.0 | 18.5 | 21.0 | 17.1 | 19.2 | 22.6 | 22.6 | | |
| • Large borrowers | % YoY | 22.6 | 8.5 | 7.5 | 8.5 | 3.6 | 4.5 | 14.9 | 14.9 | | |
| • SMEs | % YoY | 38.1 | 46.8 | 43.0 | 46.8 | 44.0 | 45.6 | 35.9 | 35.9 | | |
| Companies' price expectations | Balance of responses, p, SA | 21.5 | 19.2 | 23.0 | 21.5 | 17.3 | 20.3 | 22.8 | 24.6 | 26.7 | 29.0 |
| Business Climate Index | p, SA | 1.4 | 6.4 | 5.8 | 7.1 | 9.4 | 9.1 | 7.2 | 7.0 | 8.5 | 7.2 |
| • Current estimates | p, SA | -4.8 | 0.1 | -0.3 | 0.1 | 0.8 | 2.5 | 1.8 | 0.4 | 1.9 | 1.6 |
| • Expectations | p, SA | 7.8 | 12.9 | 12.1 | 14.4 | 18.5 | 15.9 | 12.7 | 13.9 | 15.3 | 12.9 |

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

Core indicators. Bank of Russia Ural Main Branch

Table 6

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|------|------|------|------|------|------|------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 11.0 | 6.7 | 5.0 | 6.7 | 7.5 | 8.0 | 8.0 | 8.0 | 7.9 | |
| Core inflation | % YoY | 12.4 | 6.0 | 3.2 | 6.0 | 7.4 | 7.9 | 7.7 | 7.7 | 7.6 | |
| Industrial production | 3MMA, % YoY | 0.0 | 2.7 | 3.0 | 2.8 | 2.1 | 1.3 | 1.2 | 1.2 | 0.5 | |
| Fixed capital investment | Cumulative, % YoY | 10.0 | 5.0 | 3.5 | 5.0 | 14.5 | 19.1 | 13.6 | | | |
| Construction | 3MMA, % YoY | -0.5 | 5.6 | 4.7 | 7.6 | 10.2 | 3.4 | -1.9 | -1.9 | 1.4 | |
| Housing commissioning | 3MMA, % YoY | 11.2 | 9.3 | 9.6 | 11.7 | 12.4 | -3.6 | -4.5 | -4.5 | -7.6 | |
| Retail | 3MMA, % YoY | -5.1 | 9.1 | 14.2 | 9.4 | 11.1 | 9.1 | 8.5 | 8.5 | 8.2 | |
| Commercial services | 3MMA, % YoY | 2.7 | 5.8 | 6.6 | 4.4 | 3.3 | 2.2 | 6.7 | 6.7 | 7.6 | |
| Real wages | 3MMA, % YoY | 1.4 | 10.3 | 9.5 | 7.8 | 11.2 | 7.8 | 8.2 | 8.2 | | |
| Real disposable income | % YoY | 4.1 | 6.6 | 0.5 | 10.0 | 10.0 | 8.0 | 7.9 | | | |
| Unemployment | % SA | 3.3 | 2.5 | 2.4 | 2.3 | 2.2 | 1.9 | 1.8 | 1.8 | 1.7 | |
| Outstanding consumer loans | % YoY | 1.6 | 16.4 | 17.1 | 16.4 | 18.9 | 19.6 | 15.3 | 15.3 | 13.3 | |
| Outstanding mortgage loans | % YoY | 16.5 | 32.6 | 31.8 | 32.6 | 29.3 | 25.5 | 12.7 | 12.7 | 9.3 | |
| Funds in escrow accounts | % YoY | 21.9 | 69.3 | 37.8 | 69.3 | 60.9 | 67.4 | 34.6 | 34.6 | 26.4 | |
| Non-financial organisations' outstanding bank loans | % YoY | 17.4 | 19.0 | 18.8 | 19.0 | 16.5 | 17.3 | 17.8 | 17.8 | | |
| • Large borrowers | % YoY | 16.0 | 14.2 | 14.3 | 14.2 | 13.8 | 14.3 | 15.5 | 15.5 | | |
| • SMEs | % YoY | 25.9 | 44.6 | 42.2 | 44.6 | 29.1 | 31.2 | 28.6 | 28.6 | | |
| Companies' price expectations | Balance of responses, p, SA | 24.2 | 19.4 | 21.7 | 23.3 | 21.1 | 21.8 | 24.6 | 27.5 | 26.3 | 29.8 |
| Business Climate Index | p, SA | 1.9 | 9.9 | 10.4 | 10.5 | 12.3 | 9.7 | 6.0 | 5.9 | 7.0 | 6.8 |
| • Current estimates | p, SA | -4.2 | 4.8 | 6.4 | 5.2 | 5.5 | 4.0 | 0.9 | -0.6 | 0.6 | 1.5 |
| • Expectations | p, SA | 8.2 | 15.1 | 14.4 | 16.0 | 19.3 | 15.5 | 11.3 | 12.6 | 13.5 | 12.2 |

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

Core indicators. Bank of Russia Siberian Main Branch

Table 7

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|------|-------|------|------|------|------|------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 12.7 | 8.2 | 6.6 | 8.2 | 8.6 | 9.2 | 8.8 | 8.8 | 8.7 | |
| Core inflation | % YoY | 14.2 | 7.6 | 4.7 | 7.6 | 8.7 | 9.5 | 8.8 | 8.8 | 8.8 | |
| Industrial production | 3MMA, % YoY | 1.2 | -0.6 | -1.8 | -0.6 | 2.2 | 0.8 | 0.9 | 0.9 | 1.1 | |
| Fixed capital investment | Cumulative, % YoY | 8.1 | 5.3 | 9.4 | 5.3 | 4.4 | 6.9 | 5.4 | | | |
| Construction | 3MMA, % YoY | 18.5 | -6.2 | -0.2 | -13.3 | 12.0 | 4.9 | -6.5 | -6.5 | -4.6 | |
| Housing commissioning | 3MMA, % YoY | 3.5 | 22.4 | 3.0 | 54.5 | 6.6 | -1.5 | 13.9 | 13.9 | 8.1 | |
| Retail | 3MMA, % YoY | -2.7 | 8.7 | 13.1 | 10.6 | 11.0 | 10.0 | 8.5 | 8.5 | 7.3 | |
| Commercial services | 3MMA, % YoY | 5.5 | 6.0 | 6.2 | 4.8 | 1.9 | 3.4 | 2.6 | 2.6 | 2.5 | |
| Real wages | 3MMA, % YoY | 1.9 | 9.7 | 8.5 | 7.3 | 9.5 | 7.3 | 7.1 | 7.1 | | |
| Real disposable income | % YoY | 5.9 | 5.8 | 7.0 | 4.4 | 10.2 | 6.8 | 6.1 | | | |
| Unemployment | % SA | 4.8 | 3.6 | 3.6 | 3.2 | 3.1 | 3.1 | 2.9 | 2.9 | 2.9 | |
| Outstanding consumer loans | % YoY | 3.7 | 15.5 | 17.4 | 15.5 | 17.2 | 17.5 | 13.7 | 13.7 | 11.6 | |
| Outstanding mortgage loans | % YoY | 17.3 | 33.0 | 32.3 | 33.0 | 30.3 | 26.4 | 14.3 | 14.3 | 10.6 | |
| Funds in escrow accounts | % YoY | 25.0 | 67.9 | 52.9 | 67.9 | 61.1 | 70.9 | 32.3 | 32.3 | 22.7 | |
| Non-financial organisations' outstanding bank loans | % YoY | 17.0 | 29.7 | 24.7 | 29.7 | 29.6 | 38.0 | 21.9 | 21.9 | | |
| • Large borrowers | % YoY | 11.8 | 34.6 | 25.8 | 34.6 | 35.1 | 51.1 | 23.4 | 23.4 | | |
| • SMEs | % YoY | 33.8 | 16.7 | 21.6 | 16.7 | 15.1 | 10.0 | 17.2 | 17.2 | | |
| Companies' price expectations | Balance of responses, p, SA | 25.0 | 23.6 | 27.4 | 28.8 | 23.8 | 25.4 | 26.0 | 26.0 | 28.2 | 33.0 |
| Business Climate Index | p, SA | 2.5 | 10.5 | 10.1 | 11.0 | 10.9 | 12.2 | 8.2 | 6.4 | 6.2 | 7.2 |
| • Current estimates | p, SA | -5.6 | 3.2 | 3.5 | 2.7 | 2.4 | 5.1 | 0.5 | -1.9 | -1.6 | -1.9 |
| • Expectations | p, SA | 10.9 | 18.1 | 17.0 | 19.6 | 19.7 | 19.5 | 16.1 | 15.2 | 14.3 | 16.8 |

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

Core indicators. Bank of Russia Far Eastern Main Branch

Табл.8

| | | 2022 | 2023 | 2023 | 2023 | 2024 | 2024 | 2024 | Sep | Oct | Nov |
|---|-----------------------------|------|------|------|------|------|------|------|------|-------|------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Inflation | % YoY | 11.9 | 8.0 | 7.1 | 8.0 | 8.4 | 9.1 | 8.3 | 8.3 | 8.7 | |
| Core inflation | % YoY | 14.0 | 8.3 | 6.5 | 8.3 | 8.9 | 10.1 | 8.5 | 8.5 | 8.5 | |
| Industrial production | 3MMA, % YoY | -4.2 | 6.4 | 14.2 | 7.7 | 5.1 | 1.4 | 0.03 | 0.03 | 5.0 | |
| Fixed capital investment | Cumulative, % YoY | 14.5 | 19.4 | 25.1 | 19.4 | 20.7 | 18.4 | 12.5 | | | |
| Construction | 3MMA, % YoY | 12.6 | 22.0 | 37.0 | 12.7 | 12.4 | -6.6 | -8.8 | -8.8 | -12.2 | |
| Housing commissioning | 3MMA, % YoY | 13.7 | 21.4 | 10.3 | 14.2 | 8.6 | 18.8 | 0.04 | 0.04 | -8.3 | |
| Retail | 3MMA, % YoY | -0.6 | 3.9 | 6.0 | 6.3 | 5.8 | 6.5 | 6.5 | 6.5 | 6.4 | |
| Commercial services | 3MMA, % YoY | -0.9 | 1.7 | 2.4 | 2.0 | 2.4 | -0.8 | -1.5 | -1.5 | -2.1 | |
| Real wages | 3MMA, % YoY | 0.1 | 6.8 | 6.0 | 5.4 | 7.8 | 5.7 | 4.5 | 4.5 | | |
| Real disposable income | % YoY | 6.9 | 2.0 | 3.1 | 1.4 | 7.5 | 7.5 | 5.7 | | | |
| Unemployment | % SA | 3.9 | 3.0 | 2.9 | 2.8 | 2.6 | 2.5 | 2.3 | 2.3 | 2.3 | |
| Outstanding consumer loans | % YoY | 3.7 | 12.5 | 15.5 | 12.5 | 13.8 | 14.4 | 10.6 | 10.6 | 9.2 | |
| Outstanding mortgage loans | % YoY | 23.3 | 32.8 | 31.4 | 32.8 | 29.7 | 26.0 | 17.3 | 17.3 | 13.9 | |
| Funds in escrow accounts | % YoY | 34.0 | 46.0 | 28.1 | 46.0 | 35.0 | 41.9 | 30.5 | 30.5 | 25.7 | |
| Non-financial organisations' outstanding bank loans | % YoY | 18.9 | 32.3 | 30.6 | 32.3 | 33.3 | 33.9 | 29.1 | 29.1 | | |
| • Large borrowers | % YoY | 21.0 | 33.7 | 35.8 | 33.7 | 35.2 | 36.9 | 27.4 | 27.4 | | |
| • SMEs | % YoY | 11.0 | 26.3 | 11.1 | 26.3 | 25.2 | 22.2 | 37.7 | 37.7 | | |
| Companies' price expectations | Balance of responses, p, SA | 21.0 | 18.8 | 20.3 | 21.5 | 16.9 | 18.0 | 20.1 | 19.6 | 20.6 | 23.6 |
| Business Climate Index | p, SA | 1.7 | 7.4 | 8.0 | 6.8 | 8.3 | 10.0 | 6.3 | 4.5 | 8.1 | 7.9 |
| • Current estimates | p, SA | -4.3 | 0.7 | 1.3 | 0.2 | 2.7 | 4.9 | 1.2 | -0.4 | 2.8 | 2.9 |
| • Expectations | p, SA | 7.9 | 14.4 | 15.0 | 13.6 | 14.1 | 15.3 | 11.6 | 9.5 | 13.5 | 13.0 |

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