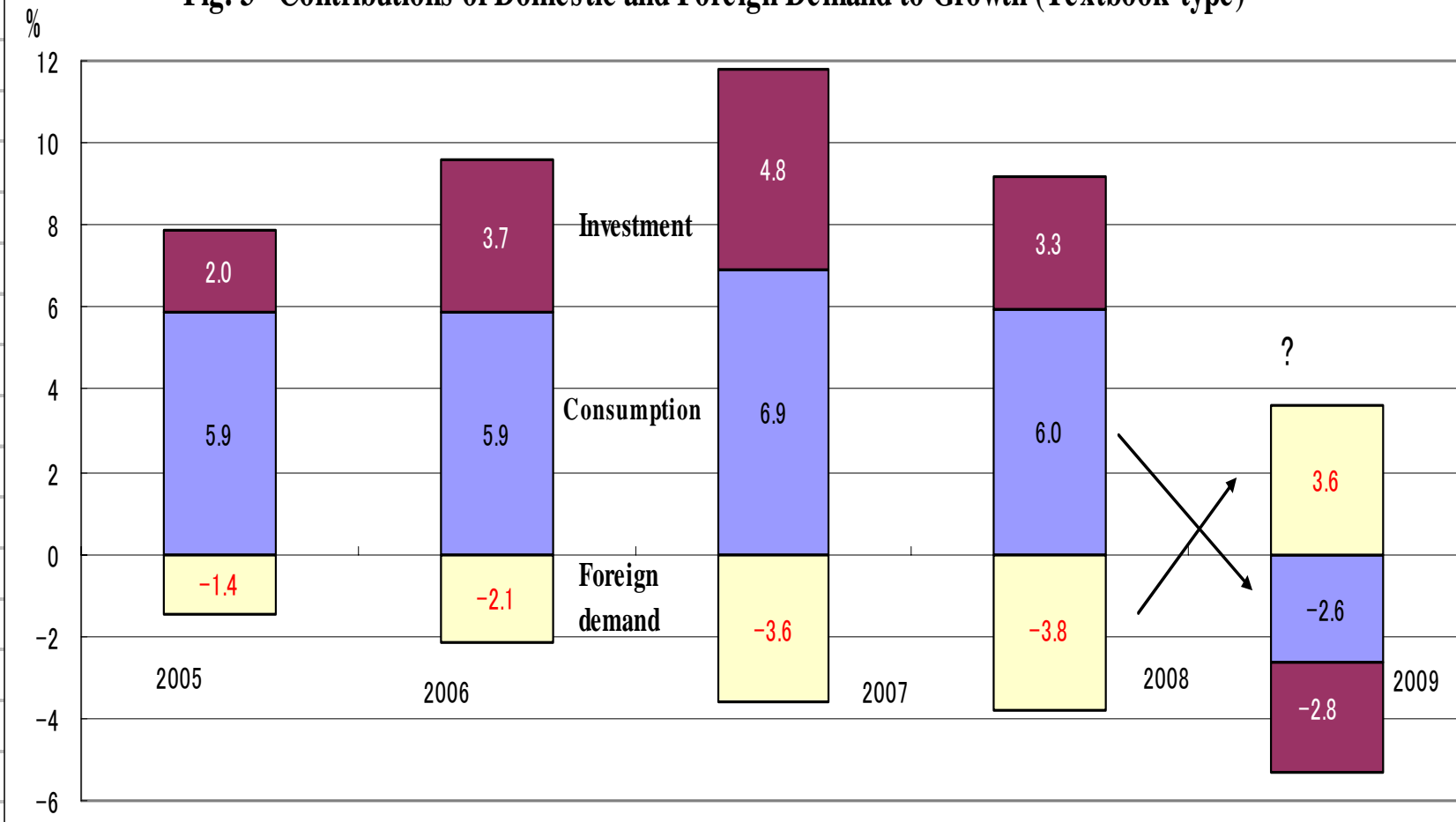


Consumption was the major source of growth while foreign demand was a negative source. Now only foreign demand may be a positive source due to a marked drop in imports. This may change in '10 and '11.

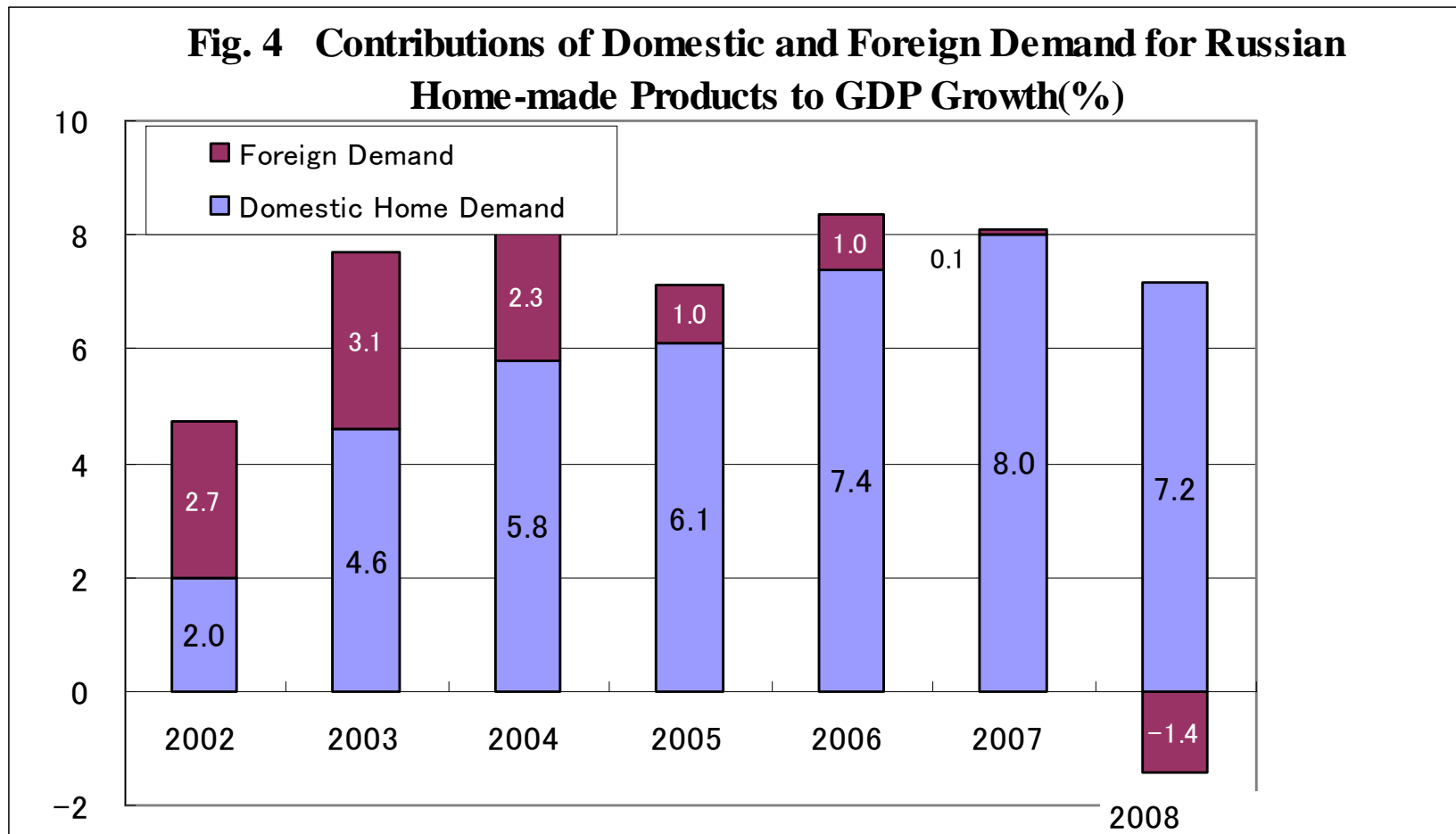
Fig. 3 Contributions of Domestic and Foreign Demand to Growth (Textbook-type)



Domestic demand = domestic demand for home goods (made in Russia) and imported goods.

Foreign demand = exports - imports

The boost of final demand for Russian home-made products was the major source of growth for 2002-2007. In 2008 this showed a slight decrease while foreign demand showed a marked decline.



Notes: Foreign demand is defined as exports minus intermediate demand for imported products. Domestic home demand is defined as domestic final demand for home (domestically produced) products.

The major source of growth was TFP for '01-'07, followed by capital increment which showed a steady growth. TFP showed a marked decline in '08 and further decline is expected in '09.

