

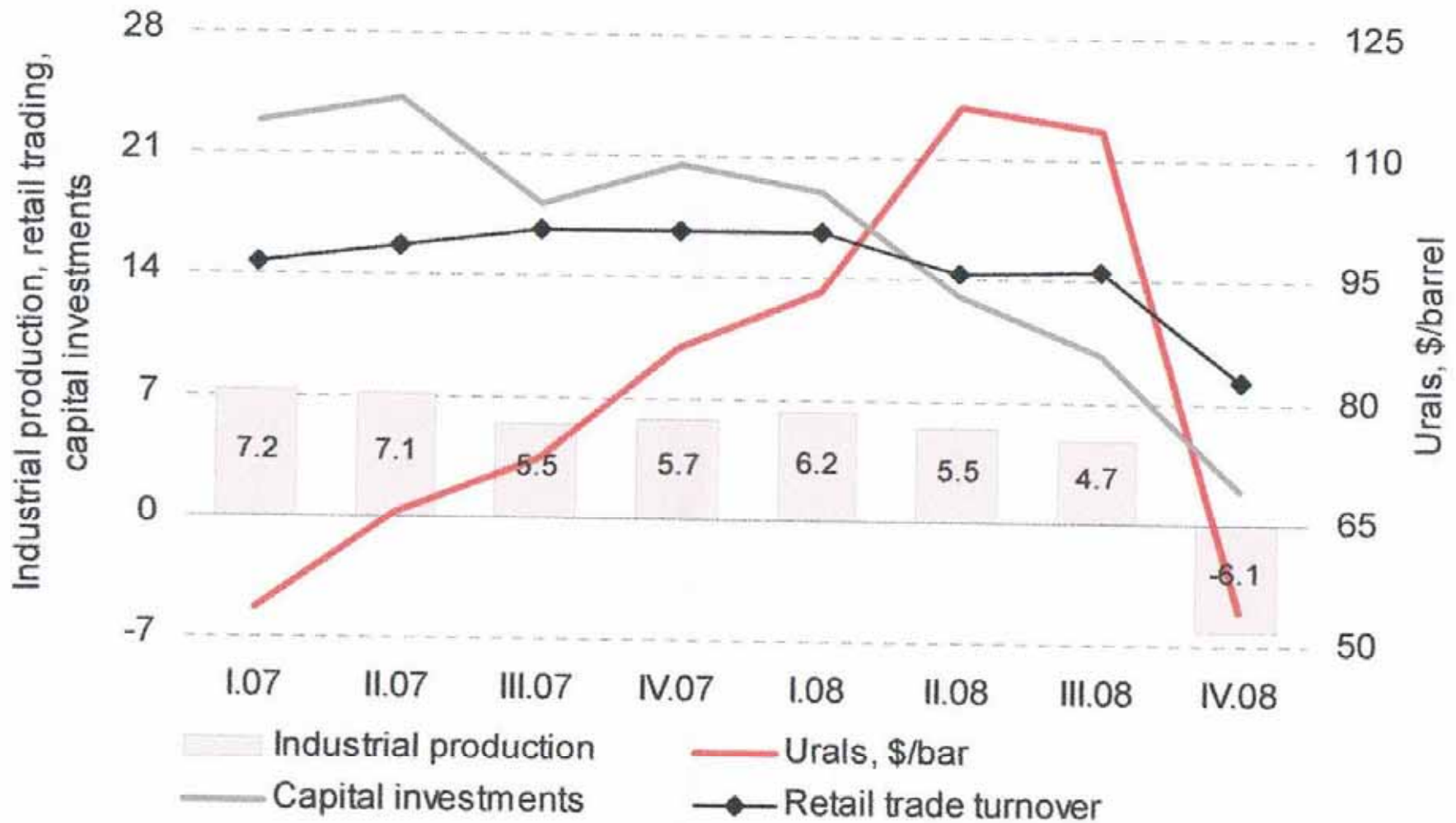
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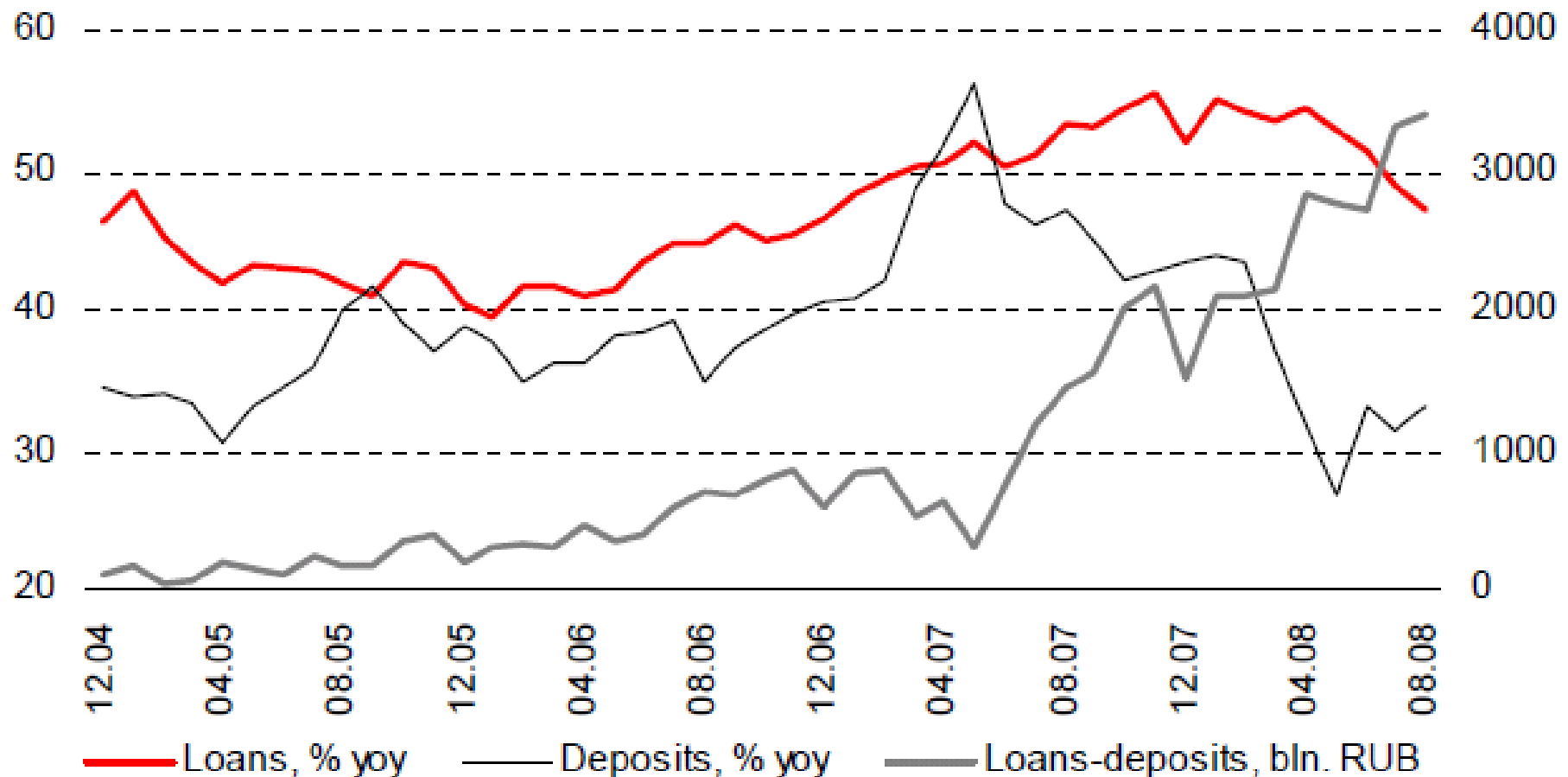
President Kensaku Kumabe

Industrial production, retail trade and prices, % change y-o-y



Source: Russian Statistics Service, CSI Bank of Moscow.

Growth in bank loans and deposits to the non-financial sector (% y-o-y, left scale) and gap between loans and deposits to the non-financial sector (R bln, right scale)



Source: CBR, CSI Bank of Moscow.

International Investment Position of the Russian Federation for 2000- 2007 (mln.USD)

	2000	2001	2002	2003	2004	2005	2006	2007
Assets	248,752	259,498	288,480	336,825	406,635	516,292	731,347	1,098,618
Liabilities	184,207	215,587	251,301	332,901	417,270	547,860	767,508	1,225,666
Net investment Position	64,545	43,911	37,179	3,924	-10,635	-31,568	-36,162	-127,048

(Central Bank Of
Russia)

International Investment Position of the Banking Sector of Russia 2000-09,Sep(mln.USD)

	2000	2001	2002	2003	2004	2005	2006	2007	Sep-08
Assets	16,893	18,132	19,532	21,491	25,989	39,182	65,351	96,843	137,670
Liabilities	9,818	12,293	16,012	27,721	37,337	60,009	123,927	214,771	237,321
Net Investment Position	7,075	5,839	3,520	-6,230	-11,348	-20,827	-58,575	-117,928	-99,651

(Central Bank Of
Russia)

Major banking assets, as of last day of month, % of total

	12.05	12.06	03.07	06.07	09.07	12.07	03.08	06.08	09.08	10.08	11.08	12.08
Assets (R bln)	9696	13963	15516	17113	18131	20125	21323	23059	24572	25276	25924	28022
Cash and precious metals	2.7	2.6	1.8	1.8	1.9	2.5	1.9	2.0	2.0	2.5	2.3	3.0
Accounts with CBR	7.3	7.5	8.0	10.9	6.1	6.9	5.1	5.8	4.2	3.5	3.8	7.5
Interbank transactions	6.3	5.8	5.4	5.3	4.7	5.4	6.2	5.9	4.8	4.9	5.9	5.2
Foreign assets	9.1	9.9	11.5	8.4	10.0	9.8	10.8	9.9	12.2	13.5	13.2	13.8
Households	12.1	14.7	14.4	14.9	16.0	16.1	16.4	17.0	17.8	17.5	16.9	15.5
Corporate sector	47.0	45.3	44.8	45.0	47.2	47.2	48.8	49.1	49.0	48.2	47.8	44.5
Government	6.6	5.2	5.0	4.7	4.1	4.1	3.3	3.4	3.0	2.7	2.6	2.0
Property	2.4	2.4	2.4	2.3	2.2	2.2	2.2	2.1	2.1	2.0	2.0	1.9

Source: CBR, CSI Bank of Moscow

Major banking liabilities, as of last day of month, % of total

	12.05	12.06	03.07	06.07	09.07	12.07	03.08	06.08	09.08	10.08	11.08	12.08
Liabilities (R bln)	9696	13963	15516	17113	18131	20125	21323	23059	24572	25276	25924	28022
Capital	15.4	14.3	15.5	15.9	16.1	15.3	15.7	15.3	15.2	15.1	15.4	14.7
CBR loans	0.2	0.1	0.1	0.1	0.0	0.2	0.7	0.2	0.9	4.7	8.2	12.0
Interbank transactions	4.0	3.4	3.3	3.1	2.9	4.1	4.3	4.1	3.5	4.0	5.2	4.4
Foreign liabilities	13.7	17.1	16.3	17.0	17.6	18.1	17.2	18.3	19.0	18.5	17.5	16.4
Household deposits	28.9	27.6	26.3	25.9	26.0	26.2	25.4	25.5	24.5	22.3	21.7	21.5
Corporate deposits	24.4	24.4	25.3	25.6	24.9	25.8	26.2	25.5	24.0	22.4	21.6	23.6
Accounts and deposits of federal state authorities and local governments	2.0	2.2	2.6	2.4	2.6	1.5	1.7	2.5	5.0	5.8	3.3	1.0
Issued securities	7.6	7.2	6.4	5.8	5.3	5.8	5.5	5.7	5.0	4.7	4.6	4.1

Note: December 2008 – estimate.

Source: CBR, CSI Bank of Moscow

Real growth rate of money income

	0 7 Jan. - Nov./ 0 6 Jan. - Nov. (%)	0 8 Jan. - Nov./ 07Jan. Nov. (%)	07November/ 06November (%)	08November/ 07November (%)
Russian Federation	112.1	107	114.6	96.2
Central Federation District	111	96.5	111.3	78.9
Moscow	107.4	83.6	109.5	59.9
North West Federal District	108.8	98.5	111.1	80.1
South Federal District	115.9	111.5	113.6	102.6
Volga Federal District	112.2	108.6	112.2	99.6
Ural Federal District	115.1	112.8	113.8	106.5
Siberian Federal District	112.1	112	113.8	98.6
Far East Federal District	108.5	104.1	105.1	99.2

Growth rate of Retail trade turnover

	07year/06year (%)	07December/ 06December(%)	08year/07year (%)	08December/ 07December(%)
Russian Federation	115.2	116.7	113	104.8
Central Federation District	111.7	110.9	110.8	102.6
Moscow	105.1	104.9	105.3	95.9
North West Federal District	114.5	115.3	110.3	102.6
South Federal District	121.1	130.3	116.5	109.7
Volga Federal District	117.7	118.5	115.2	104.8
Ural Federal District	120.1	118.5	118.1	114.7
Siberian Federal District	113.9	115.5	111.5	102.7
Far East Federal District	110.3	114.9	109.5	105.1

Growth Rate of Industrial Production by Regions

	07year/06year (%)	07December/ 06December(%)	08year/07year (%)	08December/ 07December(%)
Russian Federation	106.3	106.5	102.1	89.7
Central Federation District	111.1	117.8	103.9	85.1
Moscow	111.5	129.8	100.5	77.9
North West Federal District	108.6	105.2	102.1	101.1
South Federal District	109.5	107.5	103.4	89.8
Volga Federal District	107.6	108.5	101.9	88.3
Ural Federal District	103.8	101.8	99.5	89.7
Siberian Federal District	104.3	105.3	104	96.3
Far East Federal District	121.3	113	97.5	85.8

A number of regions with minus growth rate of Industrial production

	07year	07December	08year	08December
Russian Federation (83)	8	16	22	65
Central Federation District(18)	1	3	7	15
North West Federal District(11)	1	3	2	8
South Federal District(13)	2	2	4	6
Volga Federal District(14)	0	0	2	13
Ural Federal District(6)	1	2	3	5
Siberian Federal District(12)	1	3	2	9
Far East Federal District(9)	2	3	2	6

Index of production by kinds of economic activities

	Mining and Quarrying		Manufacturing	
	07year/06year (%)	08year/07year (%)	07year/06year (%)	08year/07year (%)
Russian Federation	101.9	100.2	109.3	103.2
Central Federation District	103.5	97.3	112.6	104.7
North West Federal District	103.2	102	110.5	102.1
South Federal District	102.4	93.6	111.6	105
Volga Federal District	102.3	101.3	110.2	102.4
Ural Federal District	99.7	99.3	112.7	99.5
Siberian Federal District	102.7	102.9	105.7	104
Far East Federal District	136.5	96.7	106.8	104.9

Index of production by kinds of economic activities(2)

	Mining and Quarrying		Manufacturing	
	07December/ 06December(%)	08December/ 07December(%)	07December/ 06December(%)	08December/ 07December(%)
Russian Federation	100.6	97.7	108.4	86.8
Central Federation District	100.2	45.4	119	102.6
North West Federal District	100	94.9	106.7	89.1
South Federal District	99.6	92.8	108.7	84.4
Volga Federal District	102.5	101.1	110	76.2
Ural Federal District	99.5	97.4	105.7	94.8
Siberian Federal District	97.5	100.7	107.5	57.3
Far East Federal District	109	104.9	132.4	104.9

Growth rate of Wholesale trade turnover

	07year/06year (%)	07December / 06December (%)	08year/07year (%)	08December/ 07December (%)
Russian Federation	117.9	107.4	104.3	100.5
Central Federation District	119.8	105.6	114.8	109
Moscow	122.3	102.2	116.1	116.2
North West Federal District	113.7	118.5	101.7	85.1
South Federal District	119.7	119.9	101.8	92.3
Volga Federal District	112	107.3	99.3	86
Ural Federal District	99.5	112.5	99.8	81.6
Siberian Federal District	115.9	122.7	103.9	87.6
Far East Federal District	106.1	115.9	104.1	78.4

OVERDUE CRESITOR LIABILITIES OF ORGANIZATIONS(2008January-November)

(end of month, billion rubles)

	Overdue creditor liabilities	to suppliers	to budget	to state extra budget funds
1	788.4	529.6	85.9	41.7
2	816.8	531.8	85.8	42.2
3	837.8	562.6	86.5	41.6
4	820	539.6	86.4	40.2
5	851.8	557.9	85.1	40.2
6	863.7	584.9	83.9	39.7
7	833.5	561.2	82.8	39.1
8	871.2	590.2	83.3	42.1
9	915.9	621.5	86.1	43.1
10	977.5	684.5	86.7	43.1
11	1048.6	755	88.9	43.9 ¹³

GROWTH OF OVERDUE CRESITOR LIABILITIES OF ORGANIZATIONS(2008January-November,%)

	Overdue creditor liabilities	to suppliers	to budget	to state extra budget funds
1	94.7	95.6	83.7	80.7
2	103.6	100.4	99.8	101.1
3	102.6	105.8	100.8	98.5
4	97.9	95.9	99.9	96.7
5	103.9	103.4	98.5	100
6	101.4	104.8	98.6	98.7
7	96.5	95.9	98.7	98.6
8	104.5	105.2	100.6	107.5
9	105.1	105.3	103.3	102.4
10	106.7	110.1	100.7	100
11	107.3	110.3	102.6	101.84

Promising Countries/Regions: Rankings

Promising Countries/Regions for Overseas Business Operations over the Medium-term (next 3 yrs. or so) (multiple response)

(Numbers in parentheses represent last year's figures)

Ranking		Country/Region	No. of Companies 471 (503)	Percentage Share (%)	
1 (1)	-	China	297 (342)	63 (68)	↓
2 (2)	-	India	271 (254)	58 (50)	↑
3 (3)	-	Vietnam	152 (178)	32 (35)	↓
4 (5)	↑	Russia	130 (114)	28 (23)	↑
5 (4)	↓	Thailand	125 (132)	27 (26)	↑
6 (7)	↑	Brazil	91 (47)	19 (9)	↑
7 (6)	↓	USA	78 (93)	17 (18)	↓
8 (8)	-	Indonesia	41 (46)	9 (9)	-
9 (9)	-	Korea	27 (32)	6 (6)	-
10 (10)	-	Taiwan	22 (24)	5 (5)	-
11 (11)	-	Mexico	21 (21)	4 (4)	-
12 (12)	-	Malaysia	20 (21)	4 (4)	-
13 (25)	↑	Singapore	15 (5)	3 (1)	
14 (22)	↑	UAE	14 (7)	3 (1)	
15 (14)	↓	Germany	13 (15)	3 (3)	-
16 (15)	↓	Czech Republic	13 (13)	3 (3)	-
17 (17)	-	Turkey	12 (10)	3 (2)	
18 (16)	↓	UK	8 (10)	2 (2)	-
19 (19)	-	Australia	8 (8)	2 (2)	-
20 (24)	↑	South Africa	8 (6)	2 (1)	

Note : In addition to the countries/regions listed above, the following regions also gained responses: EU/Europe/Western Europe (38 responses, 8% of the total); North America (18 responses, 4%); Eastern Europe/Central and Eastern Europe (17 responses, 4%); Middle East (16 responses, 3%).

Reasons for Countries Being Viewed as Promising for Overseas Operations and Issues (Russia)

• Reasons

(Total number of respondent companies 129)

	No. of comp.
1, Future growth potential of local market	112
2, Current size of local market	27
3, Supply base for assemblers	22
4, Profitability of the local market	15
5, Advantages in terms of raw material procurement	8

• Issues

(Total number of respondent companies 129)

	No. of comp.
1, Execution of legal system unclear	48
2, Lack of information on the country	39
3, Security instability	32
4, Undeveloped infrastructure	28
5, Procedure for investment authorization too complicated or unclear	27

Resources: Survey Report on Overseas Business Operations by Japanese Manufacturing Companies
Result of JBIC FY2008 Survey

Infrastructures desired to be improved (multiple response, total numbers 120)

Russia

1, Road	64%
2, Electricity	60%
3, Water	36%
4, Communication	28%
5, Ports	28%
6, Airports	28%
7, Railways	8%

Has the fight against corruption in Russia changed as a result of Dmitri Medvedev being elected president?

	Feb '08	Feb '09
Yes, it has significantly/slightly improved	22%	11%
No	47%	53%
Yes, it has significantly/slightly worsened	9%	21%
No answer	22%	15%

Source: Levada-Center

Has the fight against crime in Russia changed as a result of Dmitri Medvedev being elected president?

	Feb '08	Feb '09
Yes, it has significantly/slightly improved	22%	8%
No	48%	58%
Yes, it has significantly/slightly worsened	7%	24%
No answer	23%	11%

Source: Levada-Center

Troika dialog

The factor that obstructs economic growth

- The non-effective government governance
- Corruption
- Egoism of the business, short-term profit pursuit approach
- The non-friendly taxation system
- A delay of the technology
- Excessive dependence to the raw materials section
- The lowness of the labor productivity
- The immaturity of the market system
- A brain drain to the west in the field of science / intellectual collection

(resources: All-Russian Center for the Study of Public Opinion)

(Reference: Rankings on the ease of doing business, World bank ,IFC)

**, 2007 2008
120 112 Russian Federation**

A change of competition in the international market of domestic industry

	2003	2004	2005	2006
Real GDP growth	7.3	7.2	6.4	6.7
Increase in exports	3.3	3.5	1.1	1.0
Increase in supply of local production (1)-(2)	2.9	3.8	1.6	0.6
Increase in domestic demand (1)	5.2	6.2	6.4	7.4
Import growth (2)	2.3	3.4	4.9	6.8
Import, % of local demand growth (2) ÷ (1)	44%	55%	77%	92%

Source: Center for Macroeconomic Analysis and Short-Term Forecasting, Alfa Bank Research

Sources of Investment Financing

	9m08	9m07	9m06	9m05	9m04	9m03
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Own funds	42.8%	42.8%	45.1%	47.5%	47.4%	46.2%
Bank loans	11.0%	10.2%	9.3%	6.5%	7.7%	5.2%
Loans from						
other enterprises	6.8%	6.3%	5.6%	7.9%	7.3%	8.6%
Budget	16.8%	18.5%	17.3%	18.7%	16.9%	18.8%
Off-budget funds	0.3%	0.5%	0.5%	0.4%	0.8%	1.0%
Other	22.3%	21.7%	22.2%	19.0%	19.9%	20.2%
of which share						
placements	1.5%	2.2%	3.0%	–	–	–

* excluding small business and informal activity

Source: State Statistics Service

Troika dialog

How to promote Economic Cooperation Between Japan and Russia

- To create the business rule that can feel relieved.
- WTO issue
- To establish one governmental window which is responsible for all business transaction problems.

Russia's key economic indicators

	2001	2002	2003	2004	2005	2006	2007	2008	2009E
National accounts									
Nominal GDP, \$ bln	306.6	345.5	431.5	591.8	764.0	989.3	1,288.6	1,670.3	1,250.0
Real GDP, % y-o-y	5.1	4.7	7.3	7.2	6.4	7.4	8.1	5.6	3.0
Industrial production, real*, % y-o-y	4.9	3.7	7.0	7.3	4.0	6.3	6.0	2.1	0.5
Private consumption, real, % y-o-y	9.5	8.5	7.5	12.1	11.8	11.3	13.1	11.5	1.0
Gross fixed investment, real, % y-o-y	10.2	2.8	12.8	12.6	10.6	17.5	20.8	9.1	4.0
Budget									
Budget balance/GDP, %	3.0	1.8	1.7	4.2	7.7	7.3	5.4	4.1	-6.0
Stabilization fund, \$ bln**	-	-	3.7	18.8	43.7	89.1	156.8	225.1	150.0
Balance of payments									
Merchandise exports, \$ bln	101.9	107.3	135.9	183.2	243.8	303.6	354.0	471.8	237.0
Merchandise imports, \$ bln	53.8	61.0	76.1	97.4	125.4	164.3	225.3	292.0	180.0
Trade balance, \$ bln	48.1	46.3	59.9	85.8	118.4	139.3	128.7	179.8	57.0
Current account, \$ bln	33.9	29.1	35.4	59.0	83.8	94.4	76.6	98.9	9.0
FDI, \$ bln	2.7	3.5	8.0	15.4	12.8	29.9	47.1	58.7	20.0
Monetary reserves (excl. gold), \$ bln	30.4	44.1	73.2	120.8	175.9	294.9	465.0	412.5	361.5
Debt									
Foreign public debt, period end, \$ bln***	113.9	105.2	106.0	105.6	82.3	49.0	44.0	38.0	35.0
Foreign private debt, period end, \$ bln	35.1	48.0	80.0	108.9	176.1	260.7	400.0	430.0	350.0
Foreign debt/GDP, year average, %	48.6	43.6	38.1	33.7	30.6	29.2	32.2	27.3	34.1
R/\$ exchange rate									
Average	29.2	31.4	30.7	28.8	28.3	27.2	25.6	24.9	36.0
Year end****	30.1	31.8	29.4	27.9	28.8	26.3	24.6	28.2	37.0
R/EUR exchange rate									
Average	26.1	29.7	34.7	35.8	35.2	34.1	35.0	36.4	46.0
Year end****	26.5	32.4	36.1	37.4	34.2	34.7	35.8	38.0	47.0
Urals, \$/bbl	23.1	23.5	27.3	34.1	50.0	61.0	69.0	94.7	40.0

* new methodology since 2004

** the fund was split in 2008, we give estimates for the aggregate balance of the two new funds

*** including monetary authorities, according to the Central Bank

**** average exchange rate in December

Source: State Statistics Service, Central Bank, Troika

Russia's key economic indicators

	2001	2002	2003	2004	2005	2006	2007	2008	2009E
CPI									
Year end, % y-o-y	18.6	15.1	12.0	11.7	10.9	9.0	11.9	13.4	12.0
Year average, % y-o-y	21.7	16.0	13.6	11.0	12.5	9.8	9.1	14.1	12.7
PPI									
Year end, % y-o-y	10.7	17.1	13.1	28.8	13.4	10.4	21.0	-7.0	9.0
Year average, % y-o-y	19.2	14.0	15.6	24.0	21.1	12.5	15.7	21.7	1.0
M2									
Year end, % y-o-y	40.1	32.3	52.0	35.8	39.0	48.8	47.5	1.7	15.0
Year average, % y-o-y	45.8	34.0	42.2	42.6	37.4	43.3	49.0	24.6	8.4
Average commercial bank rates									
Lending rate, %	17.9	15.7	13.0	11.4	10.7	10.0	10.0	12.2	14.0
Deposit rate, %	4.9	5.0	4.5	3.8	4.0	4.5	5.5	5.7	8.0
Social sector									
Unemployment rate, %	8.8	8.1	8.6	8.2	7.6	7.2	6.5	6.2	8.0
Average gross wages per month, R '000	3.2	4.4	5.5	6.8	8.6	10.7	13.6	17.1	18.8
Savings ratio, % disposable income									
State Statistics Service	18.2	19.4	24.8	22.2	27.4	22.9	20.4	-	-
Troika Dialog	7.8	8.3	6.8	3.8	3.6	3.8	4.0	3.0	3.0
R/\$ exchange rate									
Average	29.2	31.4	30.7	28.8	28.3	27.2	25.6	24.9	36.0
Year end****	30.1	31.8	29.4	27.9	28.8	26.3	24.6	28.2	37.0
R/EUR exchange rate									
Average	26.1	29.7	34.7	35.8	35.2	34.1	35.0	36.4	46.0
Year end****	26.5	32.4	36.1	37.4	34.2	34.7	35.8	38.0	47.0
Urals, \$/bbl	23.1	23.5	27.3	34.1	50.0	61.0	69.0	94.7	40.0

* new methodology since 2004

** the fund was split in 2008, we give estimates for the aggregate balance of the two new funds

*** Including monetary authorities, according to the Central Bank

**** average exchange rate in December

Source: State Statistics Service, Central Bank, Troika