

# Bank of Russia's medium-term forecast

following the Bank of Russia Board of Directors' key rate meeting on 26 July 2024



Bank of Russia

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

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

	2023 (actual)	2024	2025	2026	2027
Inflation, as % in December year-on-year	7.4	6.5-7.0	4.0-4.5	4.0	4.0
Inflation, average for the year, as % year-on-year	5.9	7.8-8.0	4.2-5.8	4.0	4.0
Key rate, <a href="#">average</a> for the year, % per annum	9.9	16.9-17.4 <sup>1</sup>	14.0-16.0	10.0-11.0	7.5-8.5
Gross domestic product	3.6	3.5-4.0	0.5-1.5	1.0-2.0	1.5-2.5
– % change, Q4 – Q4 previous year	4.9	2.0-3.0	0.5-1.5	1.0-2.0	1.5-2.5
Final consumption expenditure	6.6	3.0-4.0	0.0-1.0	1.0-2.0	1.5-2.5
– households	6.5	4.0-5.0	0.0-1.0	1.0-2.0	1.5-2.5
Gross capital formation	15.8	4.5-6.5	0.0-2.0	0.5-2.5	1.0-3.0
– gross fixed capital formation	8.8	7.0-9.0	0.0-2.0	0.5-2.5	1.0-3.0
Exports	– <sup>2</sup>	(-2.0)-0.0	1.5-3.5	1.0-3.0	1.0-3.0
Imports	– <sup>2</sup>	(-3.0)-(-1.0)	1.0-3.0	1.0-3.0	1.0-3.0
Money supply in national definition	19.4	12-17	5-10	6-11	6-11
Claims on organisations and households in rubles and foreign currency <sup>3</sup>	22.7	10-15	7-12	7-12	8-13
– on organisations	22.6	10-15	7-12	7-12	8-13
– on households, including mortgage loans	23.0	10-15	6-11	7-12	8-13
	30.1	7-12	8-13	10-15	10-15

<sup>1</sup> Given that from January 1<sup>st</sup> to July 28<sup>th</sup> 2024 the average key rate is 16.0%, from July 29<sup>th</sup> to the end of 2024 the average key rate forecast range is 18.0-19.4%. Additional information on how to interpret the proposed format of the key rate forecast communication is presented in the methodological note [\[http://cbr.ru/Content/Document/File/120337/comment\\_20210422\\_e.pdf\]](http://cbr.ru/Content/Document/File/120337/comment_20210422_e.pdf).

<sup>2</sup> Data on the use of GDP in terms of exports and imports have not yet been published by Rosstat.

<sup>3</sup> Banking system claims on organisations and households means all of the banking system's claims on non-financial and financial institutions and households in rubles, foreign currency and precious metals, including loans issued (including overdue loans), overdue interest on loans, credit institutions' investment in debt and equity securities and promissory notes, as well as other forms of equity interest in non-financial and financial institutions, and other accounts receivable from settlement operations involving non-financial and financial institutions and households.

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

Source: Bank of Russia.

## Russia's balance of payments indicators in the baseline scenario<sup>4</sup>

(billions of US dollars, if not indicated otherwise)

	2023 (actual)	2024	2025	2026	2027
<b>Current account</b>	<b>50</b>	<b>72</b>	<b>57</b>	<b>45</b>	<b>33</b>
Goods	122	135	120	111	102
Exports	424	426	427	429	434
Imports	303	291	307	318	331
Services	-35	-31	-32	-34	-35
Exports	41	43	44	45	46
Imports	76	74	75	78	81
Primary and secondary income balance	-36	-31	-32	-33	-34
<b>Current and capital accounts balance</b>	<b>49</b>	<b>72</b>	<b>57</b>	<b>45</b>	<b>33</b>
<b>Financial account balance, excluding reserve assets</b>	<b>52</b>	<b>84</b>	<b>56</b>	<b>34</b>	<b>29</b>
Net incurrence of liabilities	-9	-11	3	9	8
Net acquisition of financial assets, excluding reserve assets	43	73	59	42	37
Net errors and omissions	-7	-1	0	0	0
<b>Change in reserve assets</b>	<b>-10</b>	<b>-13</b>	<b>0</b>	<b>11</b>	<b>4</b>
<b>Brent oil price, average for the year, US dollars per barrel</b>	<b>82</b>	<b>85</b>	<b>80</b>	<b>75</b>	<b>70</b>

<sup>4</sup> Using the methodology of the 6<sup>th</sup> edition of "Balance of Payments and International Investment Position Manual" (BPM6). In the Financial account "+" stands for net lending, "-" – for net borrowing. Due to rounding total results may differ from the sum of respective values.

Source: Bank of Russia.