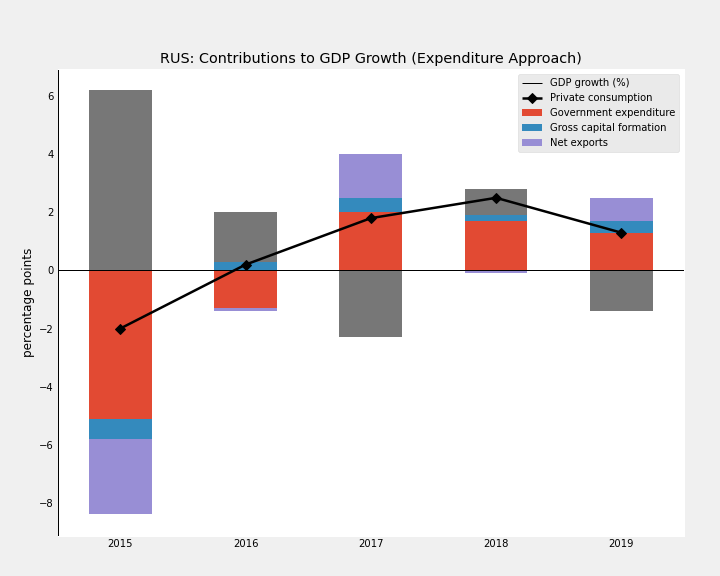
Russian Federation: Asian Development Outlook

# GDP growth in 2019

1. Overall GDP growth: GDP growth decreased from 2.5% in 2018 to 1.3% in 2019.
2. Top 3 contributions with private consumption contributing the most (50.4%), followed by gross capital formation (23.1%) and government expenditure (18.3%).
3. Contributions in the opposite direction of overall growth: On the other hand, net exports had a positive contribution at 7.6% of GDP.



# Expenditure approach

1. Private consumption: Private consumption growth contracted to 2.5% (3.3% in 2018), contributing 1.3 percentage points to overall growth.
2. Government expenditures: Government expenditures growth accelerated to 2.2% (1.3% in 2018), contributing 0.4 percentage points to overall growth.
3. Gross capital formation: Growth in gross capital formation increased to 3.8% (-0.6% in 2018), contributing 0.8 percentage points to overall growth.
4. Exports: Growth in Exports decreased to -2.3% (5.5% in 2018), contributing -0.7 percentage points to overall growth.

# Industrial approach

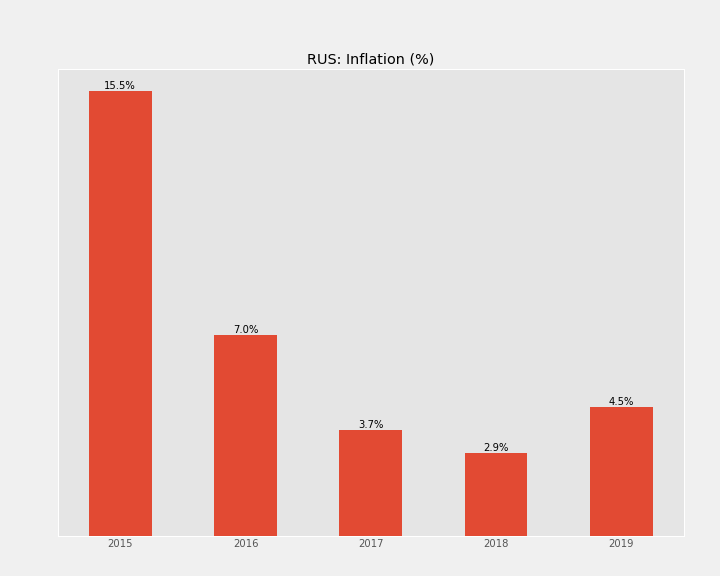
1. Industrial production: Industrial production expanded by 1.0%, down from 2.2% growth in 2018.

# Income approach

1. Employment: Unemployment improved from 4.8% in of total labor force in 2018 to 4.5% in 2019.

# Inflation

1. Inflation & monetary policy: Inflation picked up from 2.9% in 2018 to 4.5% in 2019.



# Outlook

1. Confidence index
2. FX reserves: Foreign exchange reserves by the central bank amounted to $555.2 in 2019, putting the government in a strong position to defend the currency against devaluation pressures.
3. Fiscal policy
4. Comments on current events
5. Leading indicators
6. Consensus Forecasts: On October 23, 2020, the Consensus Forecast expects GDP to contract by 4.0% in 2020 and bounce back by 3.0% in 2021.
7. Risks