



## State Policy Developments

### On-going discussion on introduction of depreciating rouble policy

As discussion on depreciating rouble policy is gaining momentum in the government with the key stated goal of supporting the domestic producers, the experts started to criticize it stressing that the positive results are likely to have the short-term effect while there will be negative impact for the future.

The most noticeable dedicated survey was the forecast for 2017-2018 prepared by [Gaidar Institute](#) in cooperation with [RANEPA](#) (The Russian Presidential Academy of National Economy and Public Administration) and [Russian Foreign Trade Academy](#). The forecast features the baseline scenario and the scenario with depreciating rouble ([Original](#) | [Google Translate](#)). See also corresponding [GDP](#), [Inflation](#) and [Investment](#) projections at Factosphere.

### Elaboration of new voluntary national certification system for products and services has been approved

On April 17 Mr. Denis Manturov, the Russian Minister of the Trade and Industry, approved creation of the new voluntary national certification system with the purpose to embrace about 1.3 thousand voluntary certification systems presently operating in Russia. The pilot projects are to be initiated already in 2017 in the light industry, food & beverages and energy efficiency of electric consumer products.

More comments in the dedicated article of Kommersant newspaper: [Original](#) (Rus) | [Google Translate](#)

### Necessity of returning to the budgetary rule for the coming years has been commonly accepted

The Russian budgetary rule assumes that the additional budgetary income received under the oil prices exceeding indicated level (presently USD 40 per barrel) is directed to the Russian sovereign funds. The major purpose of introduction of the budgetary rule is securing less vulnerability of the national economy to the crude oil price fluctuations. Beginning from 2016 the budgetary rule is not officially applied in Russia. However, starting from February 2017 the Russian Ministry of Finance is using foreign currency interventions in order to implement it. It buys foreign currency in the amount of calculated additional budgetary income when the Urals crude oil price is above the specified level (presently USD 40 per barrel) and sells it when the price falls below that level.

On April 20 Mr. Anton Siluanov, the Russian Minister of Finance, at the board meeting of the Ministry proposed to introduce the budgetary rule in a proper way while drafting federal budgets for 2018-2020.

Mr. Andrey Belousov, the President's Aide, commented to the press that the budgetary rule is likely to be introduced already in 2018.

Citing Mr. Anton Siluanov in the article of TASS news agency: [Original](#) (Rus) | [Google Translate](#)

Citing Mr. Andrey Belousov in the article of Vedomosti newspaper: [Original](#) (Rus) | [Google Translate](#)

### Mr. Dmitry Medvedev, the Russian Prime Minister, announced the idea of introduction of the corporate tax benefit for companies investing in modernization

On April 19, 2017 Mr. Medvedev in the course of his report to [the State Duma](#) proposed an introduction of investment benefit for businesses assuming decrease of corporate tax to up to 5% (common rate is 20%) in case a business invests in fixed assets (modernisation of production facilities or purchase of the modern equipment).

More comments in the dedicated article of RBC news agency: [Original](#) (Rus) | [Google Translate](#)

### The Russian Government and experts examined the ways of facilitating economic growth at forum in Krasnoyarsk

The Ministry of Economic Development has not so much time left before releasing the economy growth facilitation program until 2025 (to be presented in May 2017), and Krasnoyarsk Economic Forum that took place on April 20-22, 2017 became the ground for discussing possible approaches to securing that growth. The key persons involved in discussion were Mr. Arkady Dvorkovich, the Russian Vice Prime Minister, Mr. Maxim Oreshkin the Minister of Economic Development and Mr. Alexey Kudrin, the head of [the Centre for Strategic Research](#), which is a think tank elaborating an alternative development program. The necessity of productivity and investment growth in the coming years was stressed once again, but the specific steps to be made are still mostly a mystery for the public. The following sections of the plan being prepared by the Ministry of the Economic Development have been announced:

- Tax policy
- Support of exports
- Sustainable environment (predictable macro- and micro-economic environment for the businesses)
- Effective employment
- New digital economy
- Innovations in the key industries
- Appropriate longevity (pension system reform)
- Social support
- Education
- Active longevity (healthcare)

The program elaborated by the Centre for Strategic Research covers a wider range of social and political issues, including (among others) geopolitical risks, reform of the judicial system and operations of the law enforcement agencies.

More information on the forum in the dedicated article of TASS news agency: [Original](#) (Rus) | [Google Translate](#)

## **The draft law on introduction of the added income tax in the oil industry has been elaborated**

On April 21, 2017 Mr. Arkady Dvorkovich, the Russian Vice Prime Minister, announced to the press that the draft of the law on the added income tax in the oil industry has been finalized. The draft law is to be considered by the Russian Government and is supposed to be directed to the Russian Parliament presumably until the end of May 2017.

The added income tax base is the difference between the calculated income from the oil sales and calculated production and logistics costs (approved limits of those costs). That contrasts with the presently used severance tax, which is calculated based upon the oil production volumes. The stated goals of introduction of the new tax are stimulating development of the new greenfield projects and facilitating rational resources' use. The proposed tax rate is 50%.

The tax is assumed to be introduced in the pilot mode starting from 2018 on the voluntary basis for two types of deposits: (1) new greenfield projects and (2) brownfield projects in the Western Siberia with the aggregate annual production not exceeding 15 million tons.

Additional information in the dedicated article of TASS news agency: [Original](#) (Rus) | [Google Translate](#)

## **Business Environment Developments**

### **The government purchases have been officially transferred under supervision of the Ministry of Finance**

On April 17, 2017 Mr. Dmitry Medvedev, the Russian Prime Minister, signed the appropriate resolution ([Original](#) (Rus) | [Google Translate](#)). Before that, the major part of issues related to the government purchases were addressed by the Ministry of Economic Development.

On April 21, 2017 Ms. Tatiana Demidova, formerly the head of Department of the Control over Government Orders' Placement of the Federal Anti-Monopoly Service (FAS), was appointed the head of the dedicated department of the Ministry of Finance.

Comments on possible appointment of Ms. Demidova by Kommersant newspaper: [Original](#) (Rus) | [Google Translate](#)

Message on appointment of Ms. Demidova at the web-site of the Ministry of Finance: [Original](#) (Rus) | [Google Translate](#)

### **The court cases' statistics for 2016 indicate less attention of the Russian Federal Anti-Monopoly Service towards SME sector**

Cases on abuse of dominant position prevailed among the cases initiated by the Russian Anti-Monopoly Service in 2016. Referring to survey of [the Institute of Competitiveness Growth](#), there were 1 231 anti-monopoly cases in the Russian arbitrary courts, out of which 966 cases concerned abuse of dominant position (only 17% of cases fell at SME sector, while in 2013-2014 that share was around 40%).

More information in the dedicated article of Kommersant newspaper: [Original](#) (Rus) | [Google Translate](#)

Statistics on court cases provided by the Institute of Competitiveness Growth: [Original](#) (Rus) | [Google Translate](#)

### **Forbes released the Russian billionaires' list**

On April 20, 2017 Forbes released the Top 200 Russian Business People Ranking, which is led by Mr. Leonid Mikhelson, the shareholder of Sibur Holding (petrochemical industry) and Novatek (natural gas production).

More information at Forbes Russia web-site: [Original](#) (Rus) | [Google Translate](#)

### **Moscow Government released the bulletin on the measures of support of new investment projects in the city**

On April 20, 2017 the Government of Moscow released the bulletin on support measures for the new investment projects.

The bulletin may be found at Moscow Investment Portal: [Original](#) (Eng)

See also summary in Tax Flash Report by PwC: [Original](#) (Eng)

## **National Statistics**

### **Rosstat released data on industrial production in 1Q 2017**

The industrial production showed nearly flat growth in 1Q 2017 (+0.1%) as compared to 1Q 2016 that is much below expectations of the majority of analysts (consensus projection by Bloomberg: +1.1%, consensus projection by Interfax: +1.6%).

The industrial production index for 1Q 2017 was estimated at 100.1% (+0.1%) as compared to 1Q 2016 and 83.1% (-16.9%) as compared to 4Q 2016. The proceeded slump is still registered in the processing industries (99.2% against 1Q 2016).

The industrial production index for March 2017 was estimated at 100.8% (+0.8%) as compared to March 2016 and 112.7% as compared to February 2017 (+12.7%, primarily owing to different number of working days). The seasonally / calendar adjusted index for March 2017 was at 101.2% (+1.2%).

More information at the site of the Russian State Statistics Service: [Original](#) | [Google Translate](#)

### **The Ministry of Economic Development provided the estimate of GDP growth for 1Q 2017 at +0.4%**

On April 21, 2017 Mr. Maxim Oreshkin, the Russian Minister of Economic Development, announced the estimate of the Russian GDP growth for 1Q 2017 at +0.4% as compared to appropriate period of the previous year (with adjustments related to influence of the leap year). He also confirmed the Russian GDP growth projections for 2017 at +2.0%.

More comments in the dedicated article of RBC news agency: [Original](#) (Rus) | [Google Translate](#)



## Reports and Forecasts on Russia Traced by Factsphere

Date	Publisher	Document name	URL
17.04.2017	<a href="#">Gaidar Institute</a> in cooperation with <a href="#">RANEPA</a> (The Russian Presidential Academy of National Economy and Public Administration) and <a href="#">Russian Foreign Trade Academy</a>	Monitoring of Economic Situation in Russia #7 (45) April 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
17.04.2017	<a href="#">The Center for Macroeconomic Analysis and Short-Term Forecasting</a>	What do the leading indicators of systematic financial and macroeconomic risks show? (based on statistical data as of March 1, 2017)	<a href="#">Original</a> (Rus)
17.04.2017	<a href="#">BCS Financial Group</a>	Comments on the Russian GDP and inflation developments and projections (1Prime news agency)	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
18.04.2017	<a href="#">IMF</a>	World Economic Outlook April 2017	<a href="#">Original</a> (Eng)
19.04.2017	<a href="#">The Russian Central Bank</a>	Liquidity of Financial Sector and Financial Markets (March 2017)	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
19.04.2017	<a href="#">The Economist Intelligence Unit</a>	Update of the Europe Growth and Inflation Forecast	<a href="#">Original</a> (Eng)
19.04.2017	<a href="#">UralSib</a>	Comments on the Russian GDP developments and projections (1Prime news agency)	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
21.04.2017	<a href="#">PwC</a>	Global Economy Watch Projections April 2017	<a href="#">Original</a> (Eng)

## Statistical Publications Traced by Factsphere

Date	Publisher	Document name	URL
17.04.2017	<a href="#">The Russian State Statistics Service</a>	On Industrial Production in 1Q 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
18.04.2017	<a href="#">The Russian State Statistics Service</a>	Information on Social and Economic Situation in Russia in January-March 2017	<a href="#">Original</a> (Rus)
18.04.2017	<a href="#">The Russian State Statistics Service</a>	On Outstanding Debt Due to the Employees by the Employers (Wages) as of April 1, 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
19.04.2017	<a href="#">The Russian State Statistics Service</a>	On CPI estimate over April 11-17, 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
19.04.2017	<a href="#">The Russian State Statistics Service</a>	Information on PPI in March 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
19.04.2017	<a href="#">The Russian Central Bank</a>	Statistical appendix to Monetary Policy Report (March 2017)	<a href="#">Original</a> (Eng)
20.04.2017	<a href="#">The Russian State Statistics Service</a>	On foreign trade in January – February 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
20.04.2017	<a href="#">The Russian State Statistics Service</a>	On production volumes of oil products and dynamics of their retail prices over April 10-16, 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
20.04.2017	<a href="#">The Russian Central Bank</a>	Information on the external debt of the Russian Federation and its structure	<a href="#">Original</a> (Eng)
20.04.2017	<a href="#">The Russian Central Bank</a>	Operating credit institutions and their branches as of March 31, 2017	<a href="#">Original</a> (Eng)
21.04.2017	<a href="#">The Russian State Statistics Service</a>	On the state of the oil market in January-February 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>
21.04.2017	<a href="#">The Russian State Statistics Service</a>	On employment and unemployment in Russia in March 2017	<a href="#">Original</a> (Rus)  <a href="#">Google Translate</a>



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