

Key Updates on Russian Economy - Aug 12 - 18

Prepared by KSE Institute

Oil

The export of oil and oil products from Russia in July remained at the level of 7.3 million barrels per day (b / d) - a report from the International Energy Agency. Russia's income from fuel exports rose by \$2.5 billion last month to \$15.3 billion, or \$4.1 billion less than in July last year. Oil production in July fell by 50,000 bpd to 9.4 million bpd. [Source](#)

About \$39bn is stuck in Indian banks, and oil companies cannot return them to Russia - Reuters. Having increased oil supplies to India by 11 times and started trading in national currencies due to sanctions, Russian exporters are faced with the inability to receive money for the sold raw materials. [Source](#)

Migration

Up to a third of labor migrants may leave Russia due to lower incomes as a result of the weakening of the ruble against the dollar and the euro. 50% of respondents are thinking about leaving Russia because of the growth of the dollar, 25% do not plan to do this and 25% have not yet decided on the answer - a survey among the Uzbek diaspora. [Source](#)

Loans

The volume of loans issued to small and medium-sized enterprises (SMEs) by commercial MFIs is growing: in seven months they exceeded 10 bn RUB, and by the end of the year they can reach 18–20 bn RUB, which is 30–40% higher than last year. [Source](#)

Diamonds

In the first half of 2023, ALROSA maintained its revenue at the level of the previous year at RUB 187.8 billion. In the second quarter, revenue grew in annual terms by 8%, to 92.5 billion rubles. At the same time, net profit for the half year fell by 35% to 55.57 billion rubles. against the backdrop of rising capital and working capital. [Source](#)

Monetary policy

The Central Bank of Russia sharply increased the key rate by 3.5 pp - from 8.5% to 12% per annum. This decision was due to inflationary pressure and increased demand for imports. The decision taken by the Bank of Russia is aimed at ensuring the dynamics of monetary and credit conditions and domestic demand in general, which are necessary for the return of inflation to 4% in 2024 and its stabilization near 4% in the future. [Source](#)

IT sector

Microsoft will stop extending subscriptions to corporate customers in Russia after September 30. This applies to Microsoft 365 (Outlook, Teams, Office, OneDrive, Sharepoint services). [Source](#)

Aerospace

Russian airlines began to massively delay flights due to aircraft breakdowns. The remaining fleet of foreign liners is gradually falling into disrepair due to the inability to receive quality service and purchase the necessary spare parts. [Source](#)