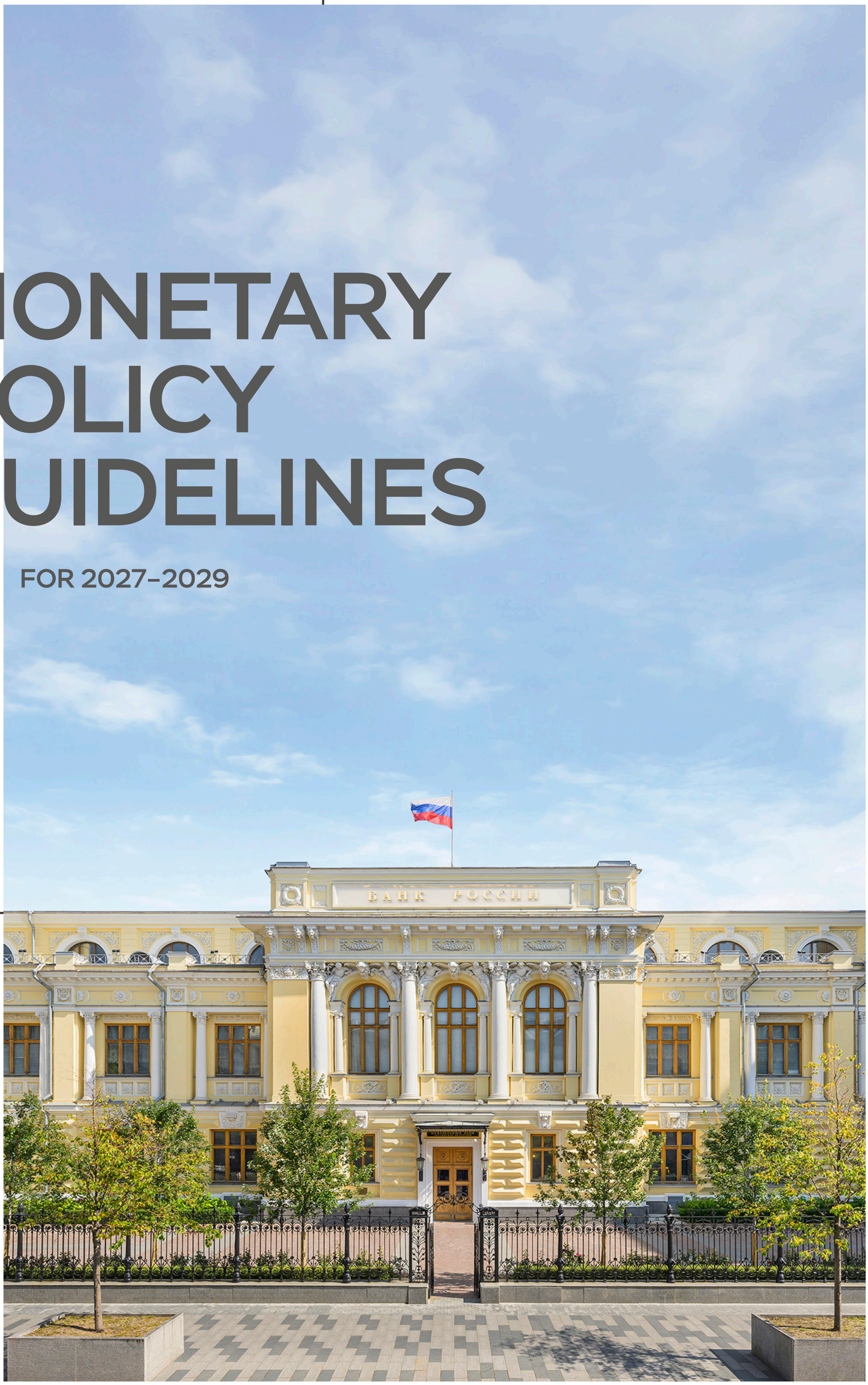
Bank of Russia

Draft as
of 31 August 2026

MONETARY POLICY GUIDELINES

FOR 2027–2029



Approved by the Bank of Russia Board of Directors on 28 August 2026.

The document was prepared based on statistics as of 21 August 2026.
The data cut-off date for forecast calculations is 23 July 2026.
If any statistics or other important data are released after the cut-off date, they may be included in the document.

The electronic version of the document is available on the Bank of Russia website in the section Publications / Guidelines for the Single State Monetary Policy.

Bldg V, 12 Neglinnaya Street, Moscow, 107016
Bank of Russia website: www.cbr.ru

INTRODUCTION

In the Monetary Policy Guidelines, the Bank of Russia each year describes the goals of monetary policy and approaches to its implementation and provides its view of the current situation in the economy and forecasts of its development in the medium term.

The Bank of Russia implements its monetary policy taking into account its core function stipulated by the Constitution of the Russian Federation, which is **protecting the ruble and ensuring its strength**. In accordance with Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)', **this function shall be performed by maintaining price stability, that is, low and stable inflation**. Securing price stability, the Bank of Russia creates an essential condition to foster balanced and sustainable economic development.

In 2025 H2–2026 H1, the gap between demand and supply in the Russian economy was narrowing gradually. As a result of tight monetary conditions, credit activity became more moderate overall, compared to previous years, while households' propensity to save was high. This limited the expansion of domestic demand. However, the dynamics of its components were diverse. Consumer activity stayed high owing to a rise in people's incomes. Although the labour market was easing gradually and wage growth became more moderate than in 2023–2024, incomes were still increasing faster than labour productivity. Investment activity declined. Since the economy had limited physical resources, primarily workforce, the expansion of government demand was accompanied by more modest dynamics of other components of domestic demand, including investment demand in the private sector.

Economic growth decelerated. In 2025, GDP grew moderately by 1.0% after its fast increase over 2023–2024 at a pace above 4%. In 2026 H1, the economy continued to grow moderately. However, dynamics across industries varied, reflecting structural shifts in the economy and the redistribution of demand and resources across sectors. An additional factor, which negatively affected output in 2026 Q2, was a temporary contraction in production and infrastructure capacity.

As the gap between demand and supply dynamics narrowed, including as a result of tight monetary conditions, underlying inflationary pressures weakened. Monetary policy contained price growth through both cooling in domestic demand and the foreign exchange channel. The ruble remained strong, supported by a high interest rate differential, as well as structural factors, including import substitution and sanctions. A strong ruble limited the growth rate of prices for goods that are responsive to exchange rate fluctuations. By the end of 2025, most measures of underlying inflation dropped to 4–5% in annualised terms and, as assessed by the Bank of Russia, stayed within this range in 2026 H1. Nevertheless, current price growth rates were fluctuating notably, driven by one-off factors and volatile components, including tax and tariff changes, fruit and vegetable prices deviating from their usual seasonal patterns, as well as higher prices for petroleum products, pushed up by a temporary contraction of production capacity.

As underlying inflationary pressures weakened, the Bank of Russia was able to continue easing its monetary policy steadily. Nonetheless, monetary conditions remained restrictive enough to bring inflation back to the target in 2027. Over December 2025–July 2026, the Bank of Russia cut the key rate by a total of 250 bp to 14.00% p.a. In December 2025–April 2026, the Bank of Russia was reducing the key rate by 50 bp at each meeting. In June and July 2026, the Bank of Russia started to cut the key rate more smoothly, specifically by 25 bp, which was associated with growing proinflationary risks. A greater-than-expected fiscal impulse in 2026–2028 requires more modest dynamics of private demand and an adequate monetary policy response. A temporary reduction in production capacity and higher fuel prices could exacerbate underlying inflationary pressures through rising costs and inflation expectations, which also necessitated a more cautious decrease in the key rate. Further key rate decisions will depend on the dynamics of inflation and inflation expectations and the analysis of risks posed by domestic and external conditions.

The Bank of Russia's **baseline scenario** relies on the following internal and external assumptions. The rise in global energy commodity prices will be temporary. Crude prices will adjust downwards as the situation in the Middle East normalises gradually by early 2027 and OPEC+ and other countries expand their oil production. As forecast by the Bank of Russia, the Russian crude price, calculated for tax purposes, will be close to $60 per barrel in 2026 and $50 per barrel later on. The baseline scenario also assumes that the imposed foreign sanctions will remain in place over the medium-term horizon. They will continue to hinder growth in exports and imports and entail persistently elevated transaction costs.

In its baseline scenario, the Bank of Russia expects GDP growth to decelerate to 0.0–1.0% in 2026. The economic slowdown will be largely associated with the temporary contraction in production capacity in certain industries. In 2026, the expansion of domestic demand will stay moderate: consumer expenditures will continue rising, while investment activity will rebound gradually. Investment will be supported by, among other factors, inflows into restoration of production facilities in individual sectors and implementation of government investment and infrastructure projects. In the future, as interest rates go down, the contribution of consumer and investment demand to economic growth will increase. In 2027–2029, GDP will expand by 1.5–2.5%, which is consistent with the long-term growth path of potential output.

Annual inflation will reach 6.0–7.0% as of the end of 2026. Its expected deviation from the target will be primarily attributable to the one-off factors, which emerged over the year, specifically tax and tariff changes and higher petroleum product prices. Nevertheless, underlying inflation in 2026 H2 will remain within the range of 4–5% in annualised terms. As the impact of these one-off factors fades and monetary policy decisions translate into the economy, price growth will be decelerating. Annual inflation will slow to 4% in 2027 and stay at the target further on. If the situation unfolds in line with the baseline scenario, the key rate will average 14.5–14.6% p.a. in 2026 and 10.5–12.5% p.a. in 2027. In 2029, the average key rate will return to the range of 7.5–8.5% p.a., which is consistent with the estimated long-term level of the nominal neutral interest rate.

The main risks to the development of the Russian economy are related to both internal and external factors. In view of this, the Bank of Russia considers two unfavourable alternative scenarios. The **proinflationary scenario** assumes a combination of internal and external factors, which will be the reasons why demand will be higher and supply will be lower than predicted in the baseline scenario. The cooling in domestic demand will turn out to be less stable, including because of a more considerable contribution of fiscal policy. Supply will be growing more slowly due to strengthening sanction pressure and a longer period needed to restore production facilities. Other proinflationary factors will include an expansion of protectionist measures as well as more adaptive inflation expectations and their significant responsiveness to one-off proinflationary factors. The **risk scenario** assumes that the world economy will face a global financial crisis, the scale of which might be comparable with that of the 2007–2008 crisis. Possible reasons for a potential crisis include imbalances accumulated in advanced economies' financial markets. Additionally, a crisis might be provoked by a drastic revaluation of technology companies' assets if expectations regarding economic effects from the development of artificial intelligence turn out to be excessively high. Global demand will plunge, and crude prices will decline. In addition to deteriorating external conditions, this scenario assumes that the sanction pressure on Russia will intensify, while the reduction in production capacity will be more notable and protracted. According to the Bank of Russia's estimates, the materialisation of risks in these two scenarios will speed up inflation in the next few years and require tighter monetary policy, as compared to the baseline scenario. Inflation will return to the target later than in the baseline scenario.

Nevertheless, in certain conditions, developments in the Russian economy may be more favourable than in the baseline scenario. The **disinflationary scenario** assumes that more efficient resource distribution and deployment of advanced technologies, including artificial intelligence, will ensure a faster rise in total factor productivity, which will increase investment returns. This will enable the economy to expand more quickly, without amplifying inflationary pressures. As a result, the Bank of Russia will be able to ease monetary policy faster.

The Bank of Russia considers the baseline scenario to be the most probable one. As for the disinflationary and proinflationary scenarios, the latter is more likely. The probability of the risk scenario remains low.

An important factor that will influence the economy in the future, whatever the scenario, is **fiscal policy**. Preparing its macroeconomic forecast and making its key rate decisions, the Bank of Russia takes into account fiscal policy parameters and measures planned by the Russian Government. Since the updated path of the reduction in the structural primary deficit towards zero by 2029 has not been announced yet, the Bank of Russia's baseline scenario assumes that the deficit will be decreasing gradually from 2% of GDP in 2026 to 1% of GDP in 2027 and 0.5% of GDP in 2028 and reach a zero level in 2029. The current baseline oil price in the fiscal rule stipulated by the Budget Code of the Russian Federation is expected to remain unchanged. These assumptions will be adjusted after the Government discloses its updated budget projections in autumn 2026. Changes in the fiscal policy parameters may require monetary policy adjustments. Responsible and well-balanced fiscal policy relying on the fiscal rule is critical to maintain macroeconomic stability.

Under any scenario of future developments both in the domestic economy and worldwide, the Bank of Russia's **monetary policy will be aimed at achieving its main goal, that is, price stability**. Ensuring low and stable inflation, the Bank of Russia thus contributes to macroeconomic stability, thereby creating necessary conditions for the development of the domestic economy, including for balanced and sustainable economic growth. Price stability:

- enables businesses and households to plan their spending, savings, and investment with greater confidence;
- improves access to credit inside the country;
- protects households' incomes and savings against a significant unpredictable devaluation;
- enhances confidence in the national currency and makes it more attractive as a store of value; and
- promotes the ruble as a currency for settlements and contracts, including at the international level.

Since 2015, the Bank of Russia has been implementing its monetary policy under the inflation targeting regime, relying on the world's best practices. **The main principles of the Bank of Russia's monetary policy** include a permanent public quantitative inflation target, a floating exchange rate, using the key rate and communication as the main monetary policy instruments, monetary policy decision-making based on a macroeconomic forecast, and transparent communication.

The goal of the Bank of Russia's monetary policy is to maintain annual inflation close to 4%. Effective on a permanent basis, the inflation target is set as a point – rather than a range – as this type of the target gives the clearest signal to the public helping form expectations and make economic choices. The wording 'close to 4%' implies that inflation might naturally hover around 4%. In 2026, the Bank of Russia has launched another Monetary Policy Review to be completed in 2028. As part of the Review, the Bank of Russia will also analyse when the economy will be able to form the prerequisites for reducing the inflation target and to what level. If the Bank of Russia decides to lower the target, this will be announced a few years before the change for the economy and inflation expectations to adjust to a new target in advance.

Implementing its monetary policy, **the Bank of Russia influences price movements through the key rate and communication regarding its possible changes in the future**. This influence is ensured through a long chain of interconnections known as the transmission mechanism. Changes in the key rate and communication about its possible dynamics in the future impact interest rates in various segments of the financial market, securities prices, and the ruble exchange rate. In turn, changes in these indicators influence economic agents' decisions on savings, consumption, and investment. All these factors ultimately create domestic demand in the economy, which affects price dynamics. It takes time for monetary policy decisions to be fully transmitted to price dynamics through the above chain of interconnections. As estimated by the Bank of Russia, this process takes three to six quarters. **Therefore, making its monetary policy decisions, the Bank of Russia relies on a macroeconomic forecast that** helps estimate what conditions should form in the economy to ensure the inflation rate of close to 4% over the time horizon of the impact of monetary policy. To build the forecast, the Bank of Russia uses advanced macroeconomic models.

In targeting inflation, **the Bank of Russia pursues the floating exchange rate regime**. The Bank of Russia sets no targets or limits for the level of the exchange rate. A floating exchange rate smooths the impact of external factors on the economy and helps it adjust to a changing external environment. It also enables the Bank of Russia to implement a monetary policy that is independent of other countries. Currently, amid limited capital flows, the movements of the ruble exchange rate to a greater extent depend on the balance between importers' demand for foreign currency and exporters' supply of foreign currency. The effect of capital flows on the dynamics of the exchange rate stays less significant than before. Furthermore, the interest rate differential between Russia and other countries continues to influence residents' and non-residents' demand for investment in ruble assets and, as a result, the ruble exchange rate. The capital controls that are still in place are predominantly of a non-economic and bilateral nature.

For monetary policy to be efficient, it is necessary to ensure society's understanding of and confidence in it. To this end, the Bank of Russia not only makes decisions needed to keep inflation at the target but also seeks to promptly and comprehensively communicate the information on its monetary policy stance to the public. The regulator is continuously working to expand audience reach and make its communication more targeted. The Bank of Russia's **transparent communication** about its monetary policy helps form a more predictable environment for decision-making and enhances the effect of monetary policy on the economy and inflation. This communication is a two-way process: the regulator not only explains its monetary policy decisions to the public but also receives feedback needed to enhance the quality of its communication and the efficiency of monetary policy implementation.

These Guidelines are structured as follows.

Section 1 describes the goals and principles of the Bank of Russia's monetary policy, as well as the interaction of monetary policy with other state policies. The section includes six boxes about the level of the inflation target in Russia, the benefits of a floating exchange rate, the evolution of model-based approaches, the combined effect of fiscal and monetary policies on the economy, the interplay of monetary policy and financial sector stability policy, and the economy's long-term equilibrium and deviations from it.

Section 2 offers a retrospective overview of the Bank of Russia's monetary policy from late 2025 until now. The section comprises two boxes about the quantitative analysis of the reasons behind the inflation deviation from the target and factors determining the ruble exchange rate.

Section 3 focuses on the baseline and alternative forecast scenarios of the Bank of Russia.

Section 4, as always, covers the operational procedure of the Bank of Russia's monetary policy: its operational objective and system of instruments, as well as the factors influencing the trends and forecast of the banking sector liquidity. The section also includes a box about the money market.

Section 5 describes the Bank of Russia's conceptual approaches to monetary policy communication, its development in late 2025 and 2026, and plans for its further improvement.

The document also contains appendices and boxes addressing the theoretical aspects of monetary policy, given the Russian economy's features, and the most relevant economic issues.

SECTION 1. MONETARY POLICY GOALS, PRINCIPLES AND INSTRUMENTS

The goal of monetary policy is to maintain low and stable inflation, which is critical to ensure sustainable economic development and protect households' and companies' incomes and savings

In accordance with the Constitution of the Russian Federation, the key function of the Bank of Russia is to protect the ruble and ensure its strength[1]. Pursuant to the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)', the main goal of the Bank of Russia's monetary policy is to protect the ruble and ensure its strength by maintaining price stability, which will create conditions promoting balanced and sustainable economic growth.[2] Price stability implies low and stable inflation.

A critical prerequisite for economic development is macroeconomic stability achieved through both responsible fiscal policy and monetary policy aimed at ensuring price stability. **Price stability is the Bank of Russia's contribution to the development of the national economy** and an essential element of an environment that is favourable for living and doing business.

Low and stable inflation is crucial for the national currency – the ruble – to have sustainable purchasing power. Low inflation protects wages, pensions, and other earnings, as well as ruble-denominated savings against a significant unpredictable devaluation. This enables households and companies to plan spending, including long-term expenses, with greater confidence, helps maintain living standards, and prevents exacerbation of social inequality.[3]

Low and stable inflation is favourable for businesses. Setting a clear inflation target and adhering to it are essential elements of a predictable economic environment, which enables companies to develop their business and make long-term financial and investment plans. Low and stable inflation improves access to credit within the country: investors are more willing to provide financing to enterprises. By contrast, high and volatile inflation poses risks to all economic agents, including banks and their clients. To receive returns on investment during periods of high and volatile inflation, banks price in an elevated inflation premium when setting loan rates, whereas low and stable inflation reduces risks to banks. As a result, interest rates settle at lower levels, while volatility of interest rates (especially long-term ones) decreases.

Low and stable inflation promotes confidence in the national currency and helps reduce the proportion of foreign currency-denominated assets and liabilities in the economy. This improves its resilience to changes in the external environment. When inflation in the country is low and stable, the ruble is more attractive as a currency for international settlements and contracts. The longer the period of price stability, the more confident counterparties are in the long-term purchasing power of the ruble and the more willing they are to use the ruble in their international business.

Monetary policy helps create conditions needed for the development of the domestic economy and its structural transformation. However, monetary policy alone cannot drive a sustainable increase in

---

1 Part 2 of Article 75 of the Constitution of the Russian Federation.

2 Articles 3 and 34.1 of Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)'.

3 For details about the impact of inflation on social inequality, refer to Appendix 3 to MPG 2018–2020.

the economy's potential. The latter depends on fixed capital formation, workforce size, as well as labour and capital productivity,[4] including through the use of more efficient forms of labour and the deployment of innovative technologies. Monetary policy can influence the utilisation rate of these factors, thus reducing the scale of a cyclical downturn or overheating in the economy and ensuring price stability. This is the countercyclical role of monetary policy.

To enable a sustainable expansion of production capacity and boost potential growth rates in the economy, it is necessary to implement other measures. First and foremost, these include structural and fiscal policy measures (changes in the structure of budget expenditures to promote the modernisation of the economy and increase human capital) and institutional changes. These measures should encourage private initiative, support innovations, foster the development of alternative and new technologies, enhance the adaptation and flexibility of the labour market (including through reskilling and upskilling programmes), and create predictable conditions for economic activity. Alongside macroeconomic stability, efficient implementation of the above measures can ensure successful transformation of the economy, promoting its transition to a new equilibrium, with a subsequent increase in its potential growth rates.

Key monetary policy principles

In implementing the inflation targeting strategy, the Bank of Russia pursues the following principles in its monetary policy:

- **a permanent public quantitative inflation target;**
- **a floating exchange rate of the ruble;**
- **the key rate and communication as the main monetary policy instruments;**
- **decision-making based on a macroeconomic forecast; and**
- **transparent communication.**

In targeting inflation, the Bank of Russia relies on the world's best practices of monetary policy implementation.[5] The advantage of inflation targeting is its flexibility. This strategy does not imply that the inflation target should be achieved at all costs. To the contrary, aiming to ensure low and stable inflation, monetary policy dampens cyclical fluctuations in output, improves the predictability of the economic environment, and thus creates conditions for balanced economic growth. The benefits of inflation targeting amid various challenges are evidenced by the studies carried out by the Bank of Russia as part of its Monetary Policy Review in 2021–2023.[6]

Permanent public quantitative inflation target

The Bank of Russia sets a permanent quantitative inflation target and announces it for households, businesses, and financial market participants to take it into account in their planning and

---

[4] The efficiency with which both labour and capital are used is measured as total factor productivity (TFP). It shows how efficiently the economy transforms available production factors (labour and capital) into output. Specifically, TFP reflects the efficiency of organisation of production and business processes, the quality of corporate governance and the institutional environment, as well as the efficiency of resource distribution in the economy.

[5] For details about inflation targeting worldwide, refer to Appendix 10 'Inflation targeting: cross-country comparisons' to MPG 2026–2028.

[6] For details, refer to the Bank of Russia's Monetary Policy Review subsection in the Monetary Policy section on the Bank of Russia website.

decision-making. The Bank of Russia implements its monetary policy to achieve the announced inflation target. To set a quantitative inflation target, the Bank of Russia determines the targeted measure and its type and level.

The goal of the Bank of Russia's monetary policy is to maintain annual inflation close to 4%. The inflation target is effective on a permanent basis. An inflation rate of not above 4% is what households and companies perceive as price stability, according to the surveys.[7] The target is set for the annual growth rate of consumer prices in Russia, that is, for the change in prices for goods and services purchased by households over the past 12 months. **The Bank of Russia uses the consumer price index (CPI) to measure the growth rate of consumer prices (inflation).** The CPI is calculated and published by Rosstat.

The Bank of Russia sets a point inflation target – rather than a range – as it gives the clearest signal to society about the goal of monetary policy. This type of the inflation target provides a clearer understanding to economic agents. In practice, a point target helps anchor inflation expectations more efficiently.

The wording 'close to 4%' implies that inflation might hover around 4%. These fluctuations are natural and associated with a continuous adjustment of relative prices. Because they are influenced by multiple factors, prices for goods and services are always changing. As a result, price growth rates may vary across certain product and service markets and in different regions (see Appendix 5 'Industry-level and regional analysis for monetary policy making').

Monetary policy is continuously aimed at ensuring an inflation rate of around 4%. However, there can be factors arising over time that might create risks of an inflation deviation from the target. If such factors emerge, the Bank of Russia assesses the reasons behind them and the duration of their impact on inflation in order to make appropriate monetary policy decisions. In a situation where inflation deviates from the target, the Bank of Russia chooses the pace for returning inflation to the target taking into account the scale of the deviation and the influence of monetary policy measures on economic activity (see the subsection 'The key rate and communication as the main monetary policy instruments').

In 2023, the Bank of Russia completed its Monetary Policy Review, which showed that, by the end of 2021, the Russian economy had formed the prerequisites for reducing the inflation target in the future (see Box 1 'The level of the inflation target in Russia'). In 2022, however, dramatic changes in the external environment forced the Russian economy into structural transformation, which was accompanied by significant adjustments in relative prices[8] across a wide range of goods and services. In 2023, the economy faced another proinflationary factor, namely overheating provoked by surging demand, which was driven by, among other things, a large-scale fiscal stimulus, while the capacity to ramp up output was limited. Consequently, inflation stayed elevated for a long time. The Bank of Russia had to pursue tight monetary policy to reduce inflation. By July 2026, annual inflation fell, reaching 6.0%. The Bank of Russia plans to return inflation to the target in 2027.

In 2026, the Bank of Russia has launched another Monetary Policy Review to be completed in 2028. As part of the new Review, the Bank of Russia will reassess the conditions and results of monetary policy implementation from the moment of switching to inflation targeting in 2015. Specifically, the

---

[7] InFOM's household surveys (March and October 2022 and February 2023); the Bank of Russia's monitoring of businesses (February and October 2022).

[8] Relative prices are prices for individual goods and services in the consumer basket relative to the average (overall) level of prices in the economy. When the economy faces considerable shocks, the adjustment of relative prices can be observed across a wide range of goods and services.

Bank of Russia will analyse when the economy will be able to form the prerequisites for reducing the inflation target and to what level. If the Bank of Russia decides to lower the target, this will be announced a few years before the change for economic agents to adapt their business and financial plans in advance and for inflation expectations to adjust to a new target gradually. The Bank of Russia will continue discussing these issues with businesses, analysts, public organisations, the Government and the Federal Assembly of the Russian Federation.

Floating exchange rate of the ruble

The Bank of Russia pursues a floating exchange rate regime. This means that the exchange rates of foreign currencies against the ruble are determined by market forces, that is, the ratio between the demand for and supply of foreign currency in the FX market. The Bank of Russia neither sets any targets or limits for the level of the exchange rate or the pace of its movements nor conducts FX operations to influence the dynamics of the exchange rate. Nevertheless, the Bank of Russia can perform operations in the FX market to maintain financial stability. They are aimed at ensuring sustainable functioning of the domestic FX market when the economy faces financial stability risks, including in the event of a sharp decline in the market liquidity. These operations do not aim to ensure a certain level or trajectory of the exchange rate.

A floating exchange rate is an essential condition to efficiently implement monetary policy within the framework of inflation targeting. It helps the economy better absorb external shocks and allows the central bank to pursue an independent monetary policy, enhancing its ability to smooth the business cycle. As a result, monetary policy ensures low and stable inflation more efficiently (see Box 2 'Benefits of a floating exchange rate').

In the context of sanctions and the freezing of the Bank of Russia's foreign currency accounts, the Bank of Russia tightened capital controls from 2022 to prevent materialisation of financial stability risks. As the situation stabilised, the controls were partially eased. The restrictions that are still in place are predominantly of a non-economic and bilateral nature. They offset the effect of the external sanctions aimed at incentivising foreign investors to withdraw capital from Russia and prohibiting potential future capital inflows.

Despite the effective capital controls, the exchange rate of the ruble remains floating, that is, its level is not administered and is still determined by the ratio between demand and supply in the FX market. While changing the composition and size of specific foreign currency flows, the existing capital controls neither set any level of the exchange rate nor replace market pricing. In the new environment, exchange rate movements to a greater extent than before depend on the ratio between importers' demand for foreign currency and its supply by exporters. Capital flows still affect exchange rate dynamics, but their impact is weaker than before. Furthermore, the difference in interest rates between Russia and other countries continues to influence residents' and non-residents' demand for investments in ruble assets and, as a result, the ruble exchange rate. Additionally, the exchange rate is affected by a number of structural factors (see Box 8 'Factors determining the ruble exchange rate after 2022').

Capital controls are a policy instrument used solely for maintaining financial stability. The theory and practice of monetary policy generally confirm that a temporary use of capital controls to mitigate financial stability risks is compatible with inflation targeting and a floating exchange rate. However, if large-scale capital controls remain in place for a long time, this might entail persistent negative implications for the economy and its growth potential.[9]

Key rate and communication as the main monetary policy instruments

The key rate is the main instrument of the Bank of Russia's monetary policy. The key rate is an interest rate used by the Bank of Russia to ensure such monetary conditions in the economy that help keep inflation close to the target. To this end, the Bank of Russia conducts regular liquidity management operations to provide liquidity to banks or absorb it from them. The Bank of Russia sets interest rates on the main liquidity management operations at the level of the key rate.[10] Interest rates on other operations are linked to the key rate.

Through liquidity management operations, the Bank of Russia seeks to keep overnight money market rates close to the key rate. This is the operational objective of monetary policy (see Section 4 'Monetary policy operational procedure in 2026 and 2027–2028'). Changes in short-term money market rates influence interest rates on longer-term transactions. These changes in turn translate into the dynamics of loan and deposit rates and securities prices. Amid the sanctions and the capital controls introduced in response, the key rate impacts the ruble exchange rate indirectly, primarily through the demand for imports. Changes in price parameters in various segments of the financial market influence economic agents' propensity to consume, save, and invest. This factor determines domestic demand in the economy, while the ratio between it and supply affects price dynamics. The set of interdependencies between economic processes, through which changes in the key rate affect inflation, is known as the monetary policy transmission mechanism (see Appendix 1 'Monetary policy transmission mechanism in Russia').

Key rate changes influence demand and prices to the fullest extent not instantaneously but with a time lag. According to the Bank of Russia's estimates, it takes three to six quarters for key rate changes to fully translate into the economy. Accordingly, the Bank of Russia can bring inflation back to the target over a horizon from 12 to 18 months, barring new serious shocks.

The Bank of Russia Board of Directors makes its key rate decisions on a regular basis, specifically eight times a year, in accordance with the approved and publicly available calendar. Decision-making according to the calendar is essential to increase the predictability of the key rate path. The Bank of Russia begins preparations for decision-making in advance, analysing economic developments, updating its macroeconomic forecast, and assessing the risks of its deviations and key rate decision alternatives. At its meeting, the Board of Directors discusses the current situation, forecast scenarios, room for policy manoeuvre, and the future key rate path, after which it makes a decision and approves the text of the related press release.[11] Key rate decisions made according to the calendar become effective on the next business day. Drastic changes in the economic situation might require prompt

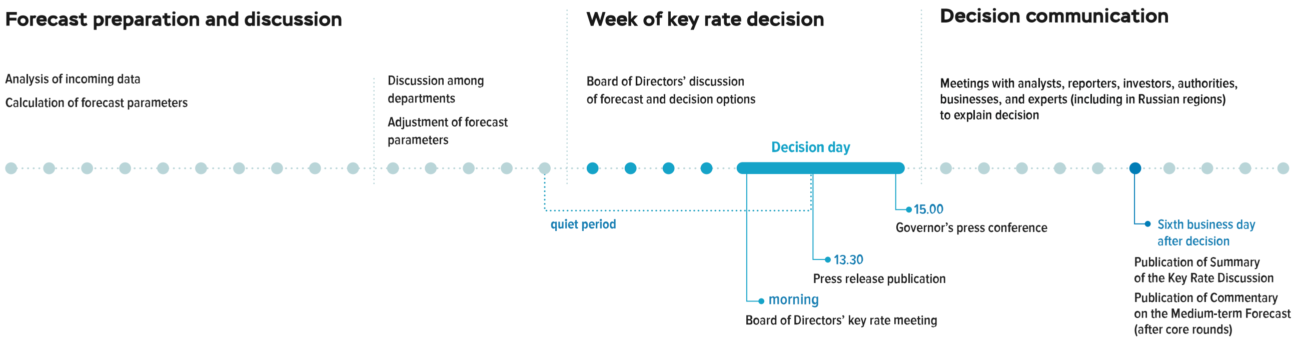
[9] For details, refer to Box 3 'Capital controls and inflation targeting' in MPG 2023–2025.

[10] The minimum interest rate at the Bank of Russia's one-week repo auctions and the maximum interest rate at the Bank of Russia's one-week deposit auctions (interest rates on the main operations conducted by the Bank of Russia to manage the banking sector liquidity) are set at the level of the key rate. Nevertheless, the actual interest rate as of the end of the auctions might slightly deviate from the key rate within the interest rate corridor.

[11] For details about the procedure for preparing and making key rate decisions, refer to the How key rate decisions are made subsection in the Monetary Policy section on the Bank of Russia website.

decisions on the key rate. In this case, the Bank of Russia Board of Directors may hold unscheduled meetings. If a key rate decision is made at an unscheduled meeting, the Bank of Russia may specify its effective date in the related press release.

Preparation and communication of a key rate decision



Given that monetary policy measures have a time-lagged effect on the economy, **the Bank of Russia relies on sustainable economic trends and long-lasting factors when making its decisions on the key rate**. The Bank of Russia revises the key rate if current trends suggest a persistent deviation of inflation from the target over the forecast horizon or there are long-acting factors that will most probably cause such a persistent deviation. To estimate the impact of various factors on inflation, the Bank of Russia prepares a macroeconomic forecast (see the subsection 'Decision-making based on a macroeconomic forecast').

The Bank of Russia takes no policy action if the existing deviation of inflation from the target results from temporary factors and inflation is expected to steadily return to the target in the short run without any additional measures. Such an approach to decision-making helps avoid excessive volatility of economic indicators. A change in the key rate in response to transitory factors might pull inflation away from the target in the opposite direction, which does not conform to the objective of maintaining inflation close to 4%.

Nevertheless, the Bank of Russia analyses the influence of temporary factors on inflation expectations (see Appendix 3 'One-off supply-side inflation factors'). If factors originally considered to be transitory cause a notable rise in inflation expectations and changes in economic agents' behaviour and pose significant risks to the achievement of the inflation target in the medium term, the Bank of Russia takes these factors into account when making its key rate decisions.

By changing the key rate to bring inflation close to the target, the central bank thus smooths the economic cycle and returns the economy to a balanced and stable economic growth path. This is the countercyclical role of monetary policy. To deliver on the inflation target, the Bank of Russia influences demand trends. When the economy is in a long-term equilibrium, that is, when inflation and inflation expectations are close to the target and output is near its potential, monetary policy should be neither contractionary nor expansionary for demand and the economy. Such monetary policy is called neutral.

When growth rates and aggregate demand start to exceed the economy's production capacity, the economy deviates from its potential upwards. In order to prevent its overheating and the resulting deviation of inflation and inflation expectations upwards from the target, the central bank needs to temporarily increase the key rate above its neutral level. Monetary tightening in these conditions helps slow down the expansion of demand and drive the economy back to a balanced growth path and inflation to its target. To the contrary, when aggregate demand decreases below the economy's production capacity, the economy deviates downwards from its potential and inflation downwards from its target. This situation requires a temporary reduction in the key rate below its neutral level. Monetary policy easing will support aggregate demand and bring inflation back to the target.

A neutral level of the interest rate can only be estimated roughly based on observed economic indicators. When the economy faces dramatic changes, the estimates of the neutral interest rate become more uncertain (see Appendix 6 ‘Neutral interest rate and potential economic growth rates’).

Communication on monetary policy decisions influences economic agents’ expectations and behaviour and is an important monetary policy instrument. Economic agents’ expectations have a considerable impact on the economy in general and on inflation in particular. For the central bank’s measures to be more efficient, it is critical to anchor households’ and businesses’ inflation expectations at the target. This is only possible if economic agents are confident in the Bank of Russia and its monetary policy. Confidence is built when the central bank successfully achieves the inflation target and society comprehends the central bank’s policy. The Bank of Russia seeks to be as transparent as possible. This is a key principle of its monetary policy as part of the inflation targeting strategy (see the subsection ‘Communication transparency’).

The Bank of Russia not only discloses the rationale behind its monetary policy decisions, but also provides forward guidance regarding its possible future action. This signal is no less important than the key rate decision itself since it influences economic agents’ expectations regarding the central bank’s further moves and, accordingly, their behaviour.

The Bank of Russia also publishes the projected path of the key rate as part of its medium-term macroeconomic forecast. This means that if the economic situation unfolds in line with the Bank of Russia’s forecast, it will change the key rate following the projected path. If economic developments deviate from the macroeconomic forecast, the Bank of Russia will need to revise both the forecast and the projected path of the key rate. The projected path is presented as a range of the average key rate for every calendar year. The projected path of the key rate strengthens the Bank of Russia’s forward guidance, thus intensifying its effect on market participants’ expectations regarding future changes in the key rate, and consequently, on monetary conditions.

Decision-making based on a macroeconomic forecast

Since monetary policy decisions affect prices with a time lag, the Bank of Russia prepares a macroeconomic forecast. The Bank of Russia’s forecast is a coordinated view of the Bank of Russia Board of Directors with respect to future economic trends and indicators. The forecast relies on the results of model-based calculations made using a wide range of modern quantitative models describing economic dynamics.[12] The Bank of Russia is continuously improving its model-based approaches (see Box 3 ‘Model-based approaches and their evolution’). Nevertheless, the Bank of Russia’s forecast is not generated from model-based assessments automatically but takes into account the Board of Directors’ expert opinions regarding the hypotheses and factors that cannot always be incorporated into the models. Certain hypotheses are verified at the regional level. The Heads of the Bank of Russia Main Branches then report on the findings to the Board of Directors.

[12] For details about developing a macroeconomic forecast and model-based approaches applied by the Bank of Russia, refer to the Forecasting and models subsection in the Monetary Policy section on the Bank of Russia website.

The Bank of Russia conducts a comprehensive revision of its macroeconomic forecast before the Board of Directors' core meetings on the key rate, four times a year. Following such meetings, the Bank of Russia publishes its updated forecast along with the press release on the key rate. The main parameters of the forecast are inflation, economic growth, monetary indicators, the balance of payments, and the scenario path of the key rate.

Preparing its macroeconomic forecast, the Bank of Russia scrutinises a wide range of data. The Bank of Russia analyses, among other things, the actual situation in the Russian economy and in global commodity and financial markets, economic policies in major foreign countries, and possible changes in fiscal, tax, social, and other areas of Russia's economic policy. Relying on this information, the Bank of Russia formulates assumptions for its forecast scenarios (a complex of external and internal economic factors that might materially affect the Russian economy and inflation trends) as well as assesses inflation risks.

When developing its macroeconomic forecast, the Bank of Russia takes into account the fact that decisions on monetary policy are always made when there is no complete certainty. There can be various factors of uncertainty, including not only future economic developments and forecast assumptions, but also new information on the past and present situation in the economy. The uncertainty may also be associated with the specifics of model-based techniques. Therefore, the Bank of Russia places a high emphasis on the rationale for monetary policy decisions it makes. Specifically, this involves using a broad range of models and forecasting several different scenarios of developments in the Russian and world economies with a number of variations of these scenarios. This approach enables the Bank of Russia to estimate the robustness of its macroeconomic forecast and monetary policy decisions made based on this forecast.

The Bank of Russia follows a conservative approach when assessing the ratio of inflation risks over the forecast horizon, while focusing slightly more on proinflationary factors and risks. This is associated with patterns in inflation expectations in Russia. Specifically, inflation expectations of professional market participants are generally anchored at the target, whereas those of households and businesses remain elevated and sensitive to short-term proinflationary factors. In addition, households' and businesses' inflation expectations are more responsive to accelerating price growth rather than to its slowdown. Underestimating proinflationary factors and risks in this context might lead to a persistent deviation of inflation upwards from the target. Therefore, when formulating assumptions for its forecast, the Bank of Russia especially focuses on those drivers of price movements that might push inflation and inflation expectations upwards.

Communication transparency

For monetary policy pursued as part of the inflation targeting strategy to be efficient, it is necessary to ensure society's understanding of and confidence in it. When households and businesses are confident that the central bank is able and determined to ensure price stability, their inflation expectations are less responsive to short-term price fluctuations or events that might speed up or slow down inflation temporarily.

If economic agents comprehend the central bank's decisions and communication signals, they take them into account quickly and correctly to adjust their expectations regarding inflation and interest rates as well as to make decisions on borrowings, savings, wage indexations, and pricing. As a result, monetary policy has a stronger effect on the economy and inflation, reducing the magnitude and duration of inflation deviations from the target.

Communication is another monetary policy instrument, in addition to the key rate. By approving decisions necessary to bring inflation back to the target and explaining the rationale for these decisions, the central bank thus promotes confidence in its monetary policy. Therefore, the Bank of Russia seeks to promptly and comprehensively communicate the information on the goals and principles of its monetary policy, its decisions and the reasons behind them, the assessment of economic developments and prospects, and the results of the monetary policy pursued.

The Bank of Russia performs its functions of protecting the ruble and ensuring its stability independently of other government authorities. The Bank of Russia continuously interacts with the executive authorities and reports to the State Duma of the Federal Assembly of the Russian Federation and the National Financial Board.

The Bank of Russia seeks to enhance and better target its monetary policy communication, including at the regional level. Selecting the content, tools, and channels of its communication, the Bank of Russia takes into account special knowledge and information needs of various target audiences. This is a two-way process: the Bank of Russia explains its policy and decisions to the public and receives feedback to take into account public sentiment and enhance the quality of its communication.

The Bank of Russia explains its monetary policy on its website, in mass media and social networks, on other digital platforms, as well as through direct communication with households, businesses, analysts, and the academic and professional community. The Bank of Russia seeks to make the information understandable and provide it to the public promptly. By holding meetings and other events, the regulator not only explains its monetary policy and answers questions, but also receives feedback needed to improve the quality of its communication.

The Bank of Russia discloses its monetary policy goals and principles annually in the Monetary Policy Guidelines. On the day when the Board of Directors makes its key rate decision, the Bank of Russia issues a press release explaining the rationale for the decision made and holds the Bank of Russia Governor's live press conference.[13] Four times a year after the Board of Directors' core meetings (in February, April, July, and October), the Bank of Russia also publishes its medium-term macroeconomic forecast along with the press release on the key rate. Approximately ten days after each meeting, the Bank of Russia releases the Summary of the Key Rate Discussion that discloses the details of the deliberations about the key rate during the week preceding the Board of Directors' meeting and directly in the course of the meeting. As part of the core rounds, alongside the Summary, the Bank of Russia also publishes its Commentary on the Medium-term Forecast detailing the assumptions and parameters of the macroeconomic forecast and the reasons for their revision.[14] In addition, the Bank of Russia issues various commentaries on the dynamics of macroeconomic indicators.[15]

For details about the objectives, principles, audiences, channels, and the evolution of the Bank of Russia's communication, see Section 5 'The Bank of Russia's communication on monetary policy issues'.

[13] In the case of unscheduled meetings on the key rate (not included in the released calendar), there can be no press conference of the Bank of Russia Governor.

[14] Before the end of 2023, this information was disclosed in the Monetary Policy Report.

[15] The commentaries are available in the Analytics subsection of the Monetary Policy section and in the Macroeconomic Bulletins subsection of the Research section on the Bank of Russia website.

When making its monetary policy decisions, the Bank of Russia factors in the interaction of various areas of the country's economic policy

The Bank of Russia is directly responsible for several areas of economic policy. **The goals of the Bank of Russia's work are to:**

- protect the ruble and ensure its strength by maintaining price stability;
- develop and enhance the Russian banking system;
- ensure the stability and advancement of the national payment system;
- develop the Russian financial market; and
- maintain the stability of the Russian financial market.

In the long run, the Bank of Russia's goals complement each other. Efficient and smooth functioning of the payment and banking systems and the financial market is a critical condition to implement monetary policy successfully. By achieving these goals, the Bank of Russia helps form conditions promoting balanced and sustainable economic growth, improving Russian citizens' welfare and maintaining it at a high level, which is the principal goal of the country's economic policy.

The coordination and consistency of measures in all the areas are achieved through their discussion at the meetings of the Bank of Russia Board of Directors and through the participation of representatives of various areas in the work of dedicated committees and working groups within the Bank of Russia.

When preparing its macroeconomic forecast, the Bank of Russia also factors in how the economic situation is influenced by measures taken in other areas of economic policy that are not the Bank of Russia's mandate. To ensure the coordination and consistency of measures, representatives of the Bank of Russia take part in the work of dedicated committees and working groups dealing with various state policy areas.

Monetary policy and financial sector stability

The Bank of Russia maintains separate targets and instruments for monetary policy and financial sector stability policy. **To deliver on the inflation target, the Bank of Russia employs its monetary policy instruments – the key rate and communication. The resilience of the financial sector (the banking system and the financial market) is ensured through other mechanisms.** First and foremost, these are **microprudential regulation** (regulation of credit and other financial institutions), supervision, and financial resolution measures. Secondly, these are **macroprudential policy measures** that support the stability of the financial system as a whole, aiming to prevent accumulation of excessive risks in its individual segments and mitigate the probability of crises and their implications. In addition, the Bank of Russia takes into account the interaction of these two policies and their effects on the conditions of monetary policy implementation (see Box 5 'Monetary policy and financial sector stability').

The stability of the financial sector is crucial for effective transmission of monetary policy decisions to the economy. Only a stable financial sector is able to ensure smooth processing of payments and transformation of savings into investment. Limiting the accumulation of systemic risks helps reduce the likelihood of financial crises and increase the predictability for financial market participants. In case of adverse developments in financial markets, including due to external factors, macroprudential easing enables the financial sector to perform its core functions sustainably and mitigates negative effects on the real economy. All that drives the expansion and development of the financial sector by promoting confidence in it and its attractiveness to all groups of participants, and thus, reducing risk premiums and increasing the depth and liquidity of financial markets.

Changes in microprudential regulation mostly influence long-term and structural aspects of financial institutions' operations, and therefore, relevant decisions are made irrespective of medium-term monetary policy decisions. Furthermore, changes in microprudential regulation (in contrast to macroprudential regulation) are usually introduced on a continuous basis and do not depend on a particular phase of the financial and economic cycle. In view of the above, normally they do not have any effect on the monetary policy environment. The only exception is rare cases where microprudential regulation might be significantly altered, which would prompt the financial sector to adjust to the changes (usually, during crisis and post-crisis periods). In addition, there may be situations when banks technically lack sufficient capital to meet the increased demand for credit at current interest rates. In such cases, the Bank of Russia takes into account the effect of microprudential measures on monetary conditions when making decisions on the key rate and certain parameters of its monetary policy operations.[16]

Macroprudential policy decisions are largely associated with cyclical fluctuations in the financial sector. Accordingly, when taking macroprudential measures, the Bank of Russia factors in its key rate decisions. In turn, macroprudential policy measures can impact the monetary policy environment, including lending trends and interest rates in individual segments. Therefore, in making its monetary policy decisions, the Bank of Russia takes into account the influence of macroprudential policy measures.

Additionally, the monetary policy environment can be affected by other measures aimed at ensuring the financial sector's stability. Thus, liquidity provision to credit institutions as part of financial resolution measures shifts the structural liquidity balance in the banking sector. The Bank of Russia takes these changes into account when setting limits on operations to absorb or provide liquidity, thereby mitigating their potential effect on the operational procedure of monetary policy and on monetary conditions.

The Bank of Russia normally changes the key rate only to ensure price stability. However, if systemic risk materialisation becomes much more likely, the Bank of Russia can use the key rate to maintain the stability of financial markets and the financial sector as a whole. By using the key rate for these purposes, the Bank of Russia, among other things, stabilises economic agents' exchange rate and inflation expectations, which is critical for ensuring price stability.

Monetary policy and financial market development

The financial market development policy implemented by the Bank of Russia jointly with the Government of the Russian Federation improves the accessibility of financing to a wide range of economic agents and creates conditions bolstering investment activity and economic development in the country. The financial market is a key element to transmit the impulse from the key rate to the economy. The larger the size and liquidity of the financial market, the stronger and quicker the transmission of the key

[16] Specifically, that was the case in late 2024–early 2025. For details, refer to Box 8 'Changes in banking regulation over 2023–2025 and their effect on monetary policy' in MPG 2026–2028.

rate to the economy. The maturity level of the financial market also influences the level of the neutral interest rate. In particular, a more mature capital market helps increase the saving ratio in the economy and, accordingly, reduces the level of the neutral rate.

Despite the extensive changes in 2022, the Russian financial market today continues to render the entire range of services to people and businesses. However, as foreign participants exited the Russian financial market, its liquidity remains limited. This means that the transmission of key rate decisions through the channels associated with price dynamics in the financial market has been weaker, but in the future, these channels can become more efficient. Specifically, considering the enacted restrictions, investment in foreign securities might be expected to become even less attractive, while the proportion of Russian assets in household savings and the role of domestic debt financing might grow. Furthermore, the share of securities in household savings has been expanding in recent years. The continuing digitalisation of the financial market is another important factor accelerating payments and settlements and improving access to financing, thus making the transmission mechanism more efficient.

Policy measures implemented jointly by the Government of the Russian Federation and the Bank of Russia also foster the evolution of the country's financial market (refer to the Russian Financial Market Development Programme, as well as Appendix 7 'Financial market development').

Monetary policy and fiscal policy

Fiscal and monetary policies, together, help achieve the key priorities of social and economic development, that is, sustainable and well-balanced economic growth. The goals of the two policies complement each other. Taking into account the limited resources (labour force and fixed capital) available to the economy and the necessity to maintain macroeconomic stability, fiscal and monetary policies establish the basis for progressive economic development (see Box 4 'Interaction of fiscal and monetary policies').

Just like monetary policy, fiscal policy affects aggregate demand in the economy, and through it, price dynamics. However, compared to monetary policy, fiscal policy usually has a quicker effect on aggregate demand. Therefore, the announcement of fiscal measures in advance (their scale and the period of their implementation), a decrease in unscheduled fiscal policy changes, and the Government's strong commitment to the announced budget targets are critical for the Bank of Russia to make adequate monetary policy adjustments.

A considerable temporary easing of fiscal policy (an increase in the budget deficit or a reduction in the structural surplus) may notably push up aggregate demand and accelerate inflation, whereas budget consolidation (a decrease in the structural budget deficit or creation of a structural surplus), to the contrary, may cool aggregate demand and slow down price growth. Furthermore, inflation dynamics are influenced not only by direct changes in the structural budget deficit / surplus but also by second-round effects from changes in the structure of budget revenues and expenditures. Specifically, an expansion of credit to the economy at subsidised interest rates may cause a surge in aggregate demand (see Box 12 'Subsidised lending and its impact on the transmission mechanism').

If the contribution of fiscal policy to aggregate demand increases or decreases, monetary policy acts as a stabiliser to narrow the gap between aggregate demand growth and the economy's production capacity, thus ensuring price stability. For example, if fiscal policy easing or changes in the structure of budget expenditures and revenues of the economy involve risks of its upward deviation from a balanced growth path and rising inflationary pressures, the central bank has to tighten its monetary policy to offset the resulting increase in private demand. Furthermore, if fiscal policy remains expansionary for a long period, this might be a factor pushing the neutral interest rate higher. In other words, all else being equal, when fiscal policy remains expansionary for an extended period, the level of interest rates in the economy should be higher.

Government expenditures, in particular investment in the development of certain industries, infrastructure, and human capital, may expand the economy's potential through an increase in production factors and total factor productivity. However, this is a gradual and long-term process and the result can only be achieved if the expenditures turn out to be highly efficient. In the short and medium term, these expenditures boost demand and, therefore, might intensify inflationary pressures and require monetary policy measures.

Prices may be influenced by tax policy measures as well. For example, an increase in indirect taxes generally causes a one-off adjustment of prices and does not require any monetary policy action. Conversely, if inflation expectations respond to changes in taxes, the central bank may need to take monetary policy measures so as to limit the risk of an inflation deviation from the target. A rise in direct taxes might have either proinflationary or disinflationary effects, depending on whether that increase will cause second-round effects associated with the impact of the tax changes on households' and businesses' behaviour as well as the areas of budget spending.

Overall, responsible fiscal policy is a critical condition to maintain price stability. An important component of such policy is a fiscal rule, especially in resource-rich countries. The fiscal rule helps these countries limit the impact of the commodity cycle on the economy by stabilising aggregate demand and reducing its dependence on the foreign trade environment. This decreases uncertainty in the economy and strengthens macroeconomic stability, including price stability. The use of the fiscal rule also reduces fluctuations in the real effective exchange rate caused by shifts in the commodity market. This increases the competitiveness of domestic goods and favours the development of manufacturing in non-commodity sectors.

The first component of the fiscal rule involves limiting budget expenditures to the amount of revenues earned with a certain equilibrium level of commodity prices. The second component involves building reserves. The funds accumulated during a period of high commodity prices may be used to support aggregate demand during a period of low prices and declining revenues. This helps alleviate a crisis period for the economy. The level of fiscal rule-based commodity prices (the cut-off price) should be determined in line with a conservative estimate of a long-term equilibrium in global commodity markets. If the cut-off price is not conservative enough, this will entail a higher risk of reserve depletion and a larger budget deficit. Such a situation, all else being equal, may require monetary policy tightening to mitigate adverse effects on the economy and inflation.

The fiscal rule is a key element of public finance stability and is aimed at preventing an excessive increase in government debt. Predictable fiscal policy and public finance stability are essential to enhance confidence in macroeconomic policy as a whole. As a result, the macroeconomic risk premium included in interest rates and capital costs decreases. Furthermore, this helps reduce and anchor inflation expectations, which enables the central bank to implement its countercyclical monetary policy more efficiently as the economy's deviation from equilibrium requires less pronounced policy adjustments.

As part of the fiscal rule and in connection with other operations performed by the Russian Ministry of Finance with the National Wealth Fund's assets, the Bank of Russia conducts transactions to buy (sell) foreign currency and gold in the domestic market. The Bank of Russia performs transactions with the Chinese yuan, given the expansion of its share in foreign trade settlements, the increase in the amount of transactions with this currency in the FX market, and the freezing of the Bank of Russia's USD and EUR accounts. To mitigate the impact of foreign currency transactions on exchange rate fluctuations, the Bank of Russia buys (sells) foreign currency in the market uniformly during each trading day of a month. When conducting these transactions, the Bank of Russia also takes into account the FX market liquidity. If foreign currency transactions are paused, the suspended amounts are taken into account when determining the parameters of future transactions.

Similarly to how the Bank of Russia factors in fiscal policy decisions when implementing its monetary policy, the Ministry of Finance and the Ministry of Economic Development of the Russian Federation, in turn, take into account the inflation target and the effect of monetary policy on the economy and inflation trends when preparing a draft federal budget and a social and economic development forecast. The coordination and consistency of monetary policy and fiscal policy measures are achieved through continuous communication between the Bank of Russia and these ministries. Specifically, they hold regular joint meetings to cross-check their estimates of key macroeconomic indicators and discuss macroeconomic forecast assumptions and scenarios. Furthermore, consistent communication on related topics is essential to enhance confidence in monetary and fiscal policies.

Overall, the use of the fiscal rule in conjunction with inflation targeting creates a synergistic effect. When combined, their contribution to demand and price stability increases.

Monetary policy and other state policies

Measures implemented by other government authorities also help support price stability. First and foremost, these are measures to reduce the impact of supply-side factors on inflation. These factors are events not associated with monetary policy that might induce irregular changes in supply. For example, these might be a poor harvest, disruptions in product supplies or manufacturing, or phytosanitary restrictions on food imports. Influenced by these factors, inflation might fluctuate considerably, while their impact might be either transitory or protracted. They might entail second-round effects, such as a rise in inflation expectations, and cause a long period of high inflation.

There are various instruments used to mitigate the negative impact of supply-side factors on inflation. These instruments can be roughly classified into permanent mechanisms and ad hoc measures. The first group includes the regulation of prices and tariffs for infrastructure companies' goods and services, customs duty mechanisms, measures regulating exports and imports to maintain supply in the domestic market, programmes fostering economic efficiency and promoting competition, and controls over prices for socially important goods in certain circumstances.

Indexations of regulated prices and tariffs depending on the inflation target are essential to support price stability. When headline inflation deviates upwards from the target, it may be necessary to eliminate the accumulated gap between the inflation rate and the level of administered prices and tariffs through temporarily elevated rates of their indexation. This will help establish a financial basis for the development of infrastructure industries. However, if indexation rates of administered prices and tariffs persistently exceed the inflation target and the price growth rate accumulated in the economy, this will exacerbate inflationary pressures through several channels. Such increases push up companies' costs forcing them to raise prices for their products and use a more significant proportion of profits to cover operating expenses instead of investing in business development. When indexation rates are very high, this also causes a rise in households' and businesses' inflation expectations, thus provoking second-round effects in price dynamics. Moreover, this discourages infrastructure companies from enhancing productivity and optimising costs. In the long run, this approach will increase the variance of relative prices, which will distort price signals for businesses and investors, make long-term planning more difficult, and impair the efficiency of resource allocation in the economy.

Price or mark-up caps set in certain market segments in exceptional circumstances might decelerate price growth for a while. However, in the long term, such caps may cause a contraction of the supply of goods subject to pricing regulation, a reduction in investment in these industries, and a worsening of consumer sentiment.

If economic conditions deteriorate, the second group of instruments – ad hoc measures – can be employed, e.g. temporary measures to support the transformation of the economy. Among other things, these are measures implemented to facilitate business operations, including by decreasing the administrative burden on businesses, simplifying customs, certification and transportation procedures, and accelerating digitalisation processes, the mechanism of parallel imports, and programmes for subsidised lending to priority industries.

The Bank of Russia carefully tracks the measures implemented and planned by government authorities and discusses their effects with businesses, the financial community, and government authorities. Furthermore, the Bank of Russia provides its expertise to analyse product and service markets and proposes ways to address problems. At the regional level, the Bank of Russia's branches regularly communicate on these issues with local authorities and the business community. The Bank of Russia will continue to assess the effect of the adopted measures on the economy and take them into account when preparing its macroeconomic forecast and making its monetary policy decisions (see Appendix 3 'One-off supply-side inflation factors').

SECTION 3. MACROECONOMIC SCENARIOS AND MONETARY POLICY IN 2026 AND 2027–2029

The Bank of Russia considered the baseline and three alternative forecast scenarios. Whatever the scenario, monetary policy will be aimed at ensuring an inflation rate of close to 4%

Decision-making based on a medium-term macroeconomic forecast is a key principle of the Bank of Russia's monetary policy. Additionally, the Bank of Russia develops several forecast scenarios. The Bank of Russia is thus able to make the most balanced monetary policy decisions, promptly respond in case of materialisation of some risks, as well as increase certainty for all economic agents, by communicating its view of the projected paths of inflation, the key rate, and the main macroeconomic and financial indicators under different circumstances.

The baseline and alternative scenarios rely on different assumptions about both internal and external conditions

The Bank of Russia Board of Directors approved the baseline scenario on 24 July 2026. It assumes that the Russian and world economies will continue to develop in line with the already existing trends. The rise in global crude prices, fuelled by the escalation in the Middle East, will be temporary. In 2027, crude prices will adjust downwards, including due to a rapid expansion of oil production by OPEC+ and other countries. The sanctions against Russia's economy that will remain in place will somewhat hinder the growth in exports and imports and will be the reason why transaction costs will stay elevated.

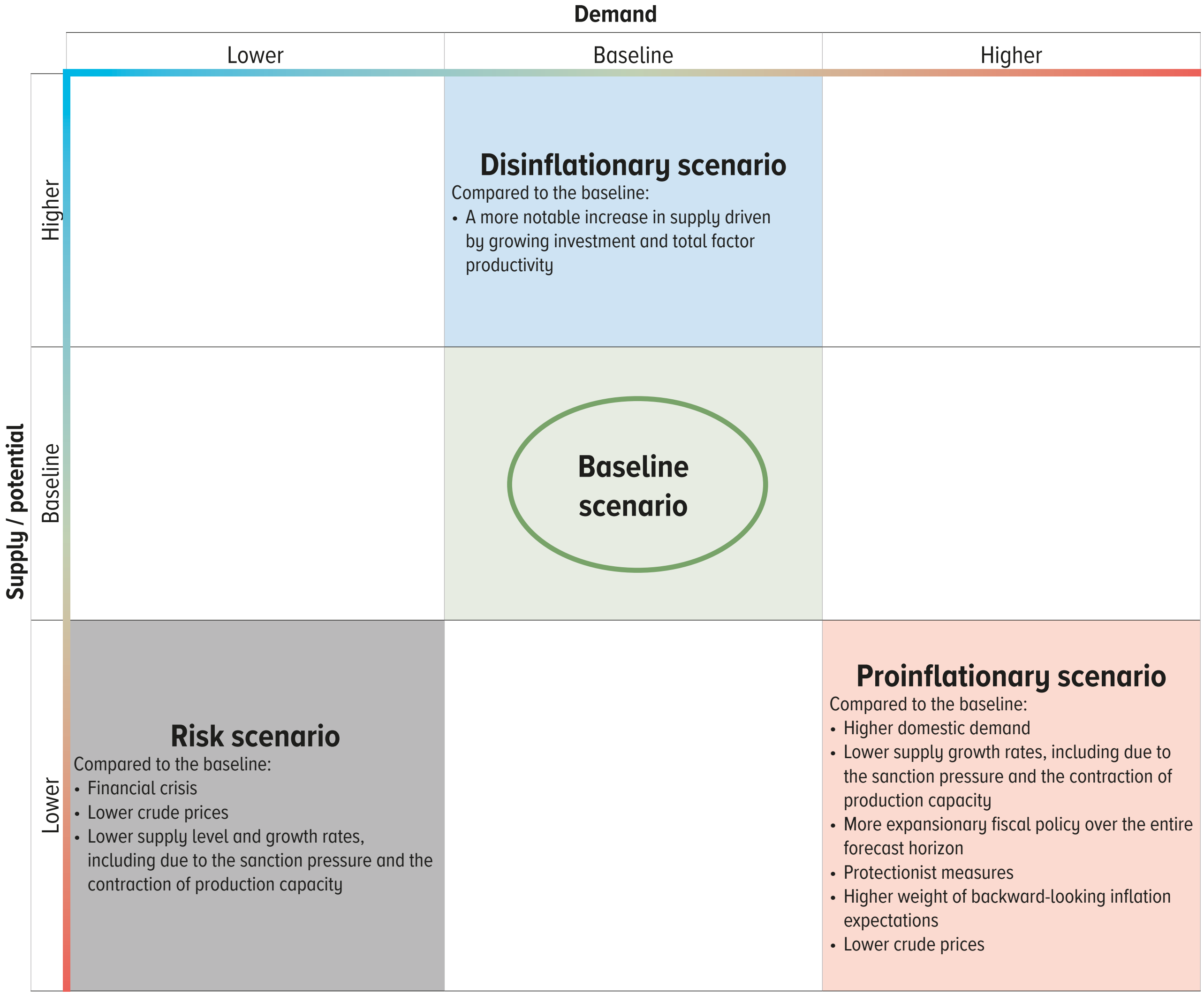
The fiscal policy-related assumptions of the baseline scenario rely on public comments by the Ministry of Finance regarding the structural primary deficit of the federal budget. The baseline scenario assumes that the deficit will be decreasing gradually and reach a zero level in 2029. The forecast calculations are based on the assumption that the structural primary deficit will equal 2% of GDP in 2026, 1% of GDP in 2027, and 0.5% of GDP in 2028. The Bank of Russia's baseline scenario relies on the current baseline price provided for by the fiscal rule stipulated by the Budget Code of the Russian Federation.

The long-term potential growth rate of Russian GDP in 2026–2029 will be in the range of 1.5–2.5%. Given the current demographic trends limiting the increase in labour resources, the expansion of potential will be driven predominantly by a rise in total factor productivity and in fixed capital. Furthermore, the baseline scenario assumes that the supply shocks that emerged in 2026 due to the temporary contraction of production capacity in certain industries will be transitory. They constrain production potential this year, but do not change the estimates of the Russian economy's long-term growth rates.

In addition to the baseline scenario, the Bank of Russia also presents alternative macroeconomic scenarios of the medium-term development of the Russian economy, which differ from each other in terms of the composition and intensity of shocks that might occur in the domestic economy.

Overall, the scenarios differ in terms of the ratios between demand- and supply-side factors they assume, as well as the combinations of external conditions.

SCENARIOS ASSUMED IN BANK OF RUSSIA'S MACROECONOMIC FORECAST *Chart 3.1*



Source: Bank of Russia.

Compared to the baseline scenario, the proinflationary scenario assumes higher demand combined with lower supply (additionally, supply shocks are more pronounced); the disinflationary scenario suggests higher supply; and in the risk scenario, both demand and supply are expected to be lower, with proinflationary supply-side factors prevailing.

As regards external conditions, the baseline and disinflationary scenarios assume that the current trends in the world economy and the sanction pressure will remain almost unchanged, whereas the risk and proinflationary scenarios suggest possibly tighter sanctions and worsening external conditions, with the negative effects being more pronounced in the risk scenario.

The Bank of Russia considers the baseline scenario to be the most probable one. As for the disinflationary and proinflationary scenarios, the latter is more likely. The probability of the risk scenario remains low.

Whatever the scenario, the Bank of Russia's monetary policy will be aimed at returning inflation to 4% and stabilising it sustainably close to this level. The complex of measures and decisions made will be adjusted depending on the state of the Russian economy, inflation trends, and the main indicators in financial markets.

The assumptions and trajectories of the key macroeconomic indicators in each of the scenarios are detailed below.

MAIN PARAMETERS OF EXTERNAL CONDITIONS OF BANK OF RUSSIA'S SCENARIOS *Table 3.1*

		2024	2025	2026 (forecast)	2027 (forecast)	2028 (forecast)	2029 (forecast)
GDP, % YoY							
World	Baseline / Disinflationary / Proinflationary	3.3	3.4	2.9	3.1	3.0	2.8
	Risk scenario				1.7	1.4	2.8
USA	Baseline / Disinflationary / Proinflationary	2.8	2.1	2.2	2.2	1.9	1.8
	Risk scenario				-0.8	-0.5	2.4
Euro area	Baseline / Disinflationary / Proinflationary	0.9	1.5	0.4	1.6	1.6	1.5
	Risk scenario				-0.5	-0.9	1.3
China	Baseline / Disinflationary / Proinflationary	5.0	5.0	4.7	5.0	4.9	4.6
	Risk scenario				3.8	3.5	4.3
Inflation, % in December YoY							
USA[1]	Baseline / Disinflationary / Proinflationary	3.0	3.0	3.3	2.5	2.3	2.2
	Risk scenario				2.3	1.7	1.6
Euro area[2]	Baseline / Disinflationary / Proinflationary	2.7	2.3	2.6	2.1	2.1	2.1
	Risk scenario				2.5	0.3	0.9
China[3]	Baseline / Disinflationary / Proinflationary	0.2	1.2	0.9	1.3	1.5	1.8
	Risk scenario				1.3	0.8	1.0
Policy rate, %, Q4 average YoY							
US Fed[4]	Baseline / Disinflationary / Proinflationary	4.7	3.9	3.8	4.1	4.1	4.1
	Risk scenario				0.4	0.4	0.9
ECB[5]	Baseline / Disinflationary / Proinflationary	3.3	2.0	2.5	2.6	2.6	2.7
	Risk scenario				0.0	-0.5	0.1
PBC[6]	Baseline / Disinflationary / Proinflationary	3.2	3.0	3.0	3.1	3.4	3.7
	Risk scenario				1.8	1.7	2.0

1 *Core PCE, USA.*
2 *Core HICP, euro area.*
3 *Core CPI, China.*
4 *US Fed Effective Federal Funds Rate.*
5 *ECB Deposit Facility Rate.*
6 *People's Bank of China 1Y Loan Prime Rate.*
Sources: data from national statistical agencies, Bank of Russia calculations.

BANK OF RUSSIA'S FORECAST IN BASELINE SCENARIO *Table 3.2*

	2024 (actual)	2025 (actual)	2026	2027	2028	2029
Key macroeconomic indicators (% growth YoY, unless indicated otherwise)						
Inflation, % in December YoY	9.5	5.6	6.0–7.0	4.0	4.0	4.0
Inflation, yearly average, % YoY	8.4	8.7	5.9–6.2	4.3–5.2	4.0	4.0
Key rate, yearly average, % p.a.	17.5	19.2	14.5–14.6[1]	10.5–12.5	8.0–9.0	7.5–8.5
Gross domestic product	4.9	1.0	0.0–1.0	1.5–2.5	1.5–2.5	1.5–2.5
– % change in Q4 YoY	*5.2*	*1.0*	*0.0–1.5*	*1.5–2.5*	*1.5–2.5*	*1.5–2.5*
Final consumption expenditure	5.5	2.9	1.5–2.5	1.0–2.0	1.0–2.0	1.5–2.5
– households	*6.8*	*3.6*	*1.5–2.5*	*1.0–2.0*	*1.0–2.0*	*1.5–2.5*
Gross capital formation	3.5	-4.9	(-3.5)–(-1.5)	2.0–4.0	1.5–3.5	1.0–3.0
– gross fixed capital formation	*8.6*	*-0.4*	*(-1.5)–0.5*	*2.0–4.0*	*1.5–3.5*	*1.0–3.0*
Exports	–[2]	–[2]	0.0–2.0	0.0–2.0	1.0–3.0	1.0–3.0
Imports	–[2]	–[2]	1.0–3.0	0.0–2.0	1.0–3.0	1.0–3.0
Money supply (national definition)	19.2	10.6	7–12	6–11	7–12	7–12
Banking system claims on economy in rubles and foreign currency[3]	16.4	9.5	6–10	6–11	8–13	8–13
– on organisations	*19.0*	*11.9*	*7–11*	*7–12*	*8–13*	*8–13*
– on households, including	*9.7*	*2.8*	*5–9*	*5–10*	*8–13*	*8–13*
housing mortgages	*10.4*	*7.8*	*6–10*	*7–12*	*10–15*	*10–15*
Balance of payments indicators[4] ($ bn, unless indicated otherwise)						
Current account	**63**	**39**	**48**	**25**	**15**	**10**
Balance of trade	132	113	119	99	92	88
Exports	*434*	*420*	*458*	*446*	*454*	*465*
Imports	*302*	*306*	*339*	*347*	*362*	*377*
Balance of services	-38	-49	-50	-51	-52	-52
Exports	*43*	*46*	*48*	*49*	*50*	*51*
Imports	*81*	*95*	*97*	*100*	*102*	*103*
Balance of primary and secondary income	-31	-26	-22	-23	-25	-26
Current account and capital account balance	**63**	**38**	**48**	**25**	**15**	**10**
Financial account balance, net of reserve assets	**56**	**44**	**43**	**36**	**25**	**16**
Net incurrence of liabilities	9	-5	15	7	8	9
Net acquisition of financial assets, net of reserve assets	66	39	59	42	33	25
Net errors and omissions	-10	-13	-9	0	0	0
Change in reserve assets	**-4**	**-19**	**-5**	**-11**	**-9**	**-6**
Crude price for tax purposes,[5] yearly average, $ per barrel	**68**	**56**	**60**	**50**	**50**	**50**

1 *Given that from 1 January 2026 through 26 July 2026 the average key rate was 15.0%, the average key rate from 27 July 2026 through 31 December 2026 is forecast in the range of 13.7–14.0%. Additional information on the format of the key rate forecast is available in the methodological note.*
2 *Rosstat has not yet released the 2024–2025 data on GDP by expenditure in terms of exports and imports.*
3 *The banking system's claims on the economy mean all claims of the banking system on non-financial and financial organisations and households in rubles, foreign currency and precious metals, which include 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 participation in non-financial and financial organisations' equity, and other receivables on settlements with non-financial and financial organisations and households.*
The growth rates of claims are adjusted for foreign currency revaluation. For the purpose of the adjustment for foreign currency revaluation, the growth of claims in foreign currencies and precious metals is recalculated into rubles at the period average RUB/USD exchange rate.
4 *On the basis of the methodology set out in the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6). In the financial account, '+' denotes net lending and '-' denotes net borrowing. Final values may differ from the total of the respective values due to rounding.*
5 *The Russian crude price determined for tax purposes and published on a monthly basis on the website of the Ministry of Economic Development of the Russian Federation.*
Source: Bank of Russia.

BANK OF RUSSIA'S FORECAST IN DISINFLATIONARY SCENARIO *Table 3.3*

	2024 (actual)	2025 (actual)	2026	2027	2028	2029
Key macroeconomic indicators (% growth YoY, unless indicated otherwise)						
Inflation, % in December YoY	9.5	5.6	6.0–7.0	3.0–4.0	4.0	4.0
Inflation, yearly average, % YoY	8.4	8.7	5.9–6.2	3.7–5.1	4.0	4.0
Key rate, yearly average, % p.a.	17.5	19.2	14.5–14.6[1]	9.0–11.0	7.0–8.0	7.5–8.5
Gross domestic product	4.9	1.0	0.0–1.0	2.5–3.5	2.0–3.0	1.5–2.5
– % change in Q4 YoY	*5.2*	*1.0*	*0.0–1.5*	*2.0–3.0*	*2.0–3.0*	*1.5–2.5*
Final consumption expenditure	5.5	2.9	1.5–2.5	2.5–3.5	2.0–3.0	1.5–2.5
– households	*6.8*	*3.6*	*1.5–2.5*	*2.5–3.5*	*2.0–3.0*	*1.5–2.5*
Gross capital formation	3.5	-4.9	(-3.5)–(-1.5)	5.0–7.0	3.0–5.0	1.0–3.0
– gross fixed capital formation	*8.6*	*-0.4*	*(-1.5)–0.5*	*4.0–6.0*	*2.5–4.5*	*1.0–3.0*
Exports	–[2]	–[2]	0.0–2.0	0.0–2.0	1.0–3.0	1.0–3.0
Imports	–[2]	–[2]	1.0–3.0	2.0–4.0	1.5–3.5	1.0–3.0
Money supply (national definition)	19.2	10.6	7–12	8–13	8–13	7–12
Banking system claims on economy in rubles and foreign currency[3]	16.4	9.5	6–10	8–13	9–14	8–13
– on organisations	*19.0*	*11.9*	*7–11*	*8–13*	*9–14*	*8–13*
– on households, including	*9.7*	*2.8*	*5–9*	*8–13*	*9–14*	*8–13*
housing mortgages	*10.4*	*7.8*	*6–10*	*10–15*	*11–16*	*10–15*
Balance of payments indicators[4] ($ bn, unless indicated otherwise)						
Current account	**63**	**39**	**48**	**18**	**9**	**6**
Balance of trade	132	113	119	93	85	83
Exports	*434*	*420*	*458*	*446*	*454*	*465*
Imports	*302*	*306*	*339*	*354*	*369*	*382*
Balance of services	-38	-49	-50	-51	-52	-52
Exports	*43*	*46*	*48*	*49*	*50*	*51*
Imports	*81*	*95*	*97*	*100*	*102*	*103*
Balance of primary and secondary income	-31	-26	-22	-23	-24	-25
Current account and capital account balance	**63**	**38**	**48**	**18**	**9**	**6**
Financial account balance, net of reserve assets	**56**	**44**	**43**	**29**	**19**	**13**
Net incurrence of liabilities	9	-5	15	8	10	11
Net acquisition of financial assets, net of reserve assets	66	39	59	37	29	24
Net errors and omissions	-10	-13	-9	0	0	0
Change in reserve assets	**-4**	**-19**	**-5**	**-11**	**-9**	**-6**
Crude price for tax purposes,[5] yearly average, $ per barrel	**68**	**56**	**60**	**50**	**50**	**50**

[1] Given that from 1 January 2026 through 26 July 2026 the average key rate was 15.0%, the average key rate from 27 July 2026 through 31 December 2026 is forecast in the range of 13.7–14.0%. Additional information on the format of the key rate forecast is available in the methodological note.

[2] Rosstat has not yet released the 2024–2025 data on GDP by expenditure in terms of exports and imports.

[3] The banking system's claims on the economy mean all claims of the banking system on non-financial and financial organisations and households in rubles, foreign currency and precious metals, which include 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 participation in non-financial and financial organisations' equity, and other receivables on settlements with non-financial and financial organisations and households.

The growth rates of claims are adjusted for foreign currency revaluation. For the purpose of the adjustment for foreign currency revaluation, the growth of claims in foreign currencies and precious metals is recalculated into rubles at the period average RUB/USD exchange rate.

[4] On the basis of the methodology set out in the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6). In the financial account, '+' denotes net lending and '-' denotes net borrowing. Final values may differ from the total of the respective values due to rounding.

[5] The Russian crude price determined for tax purposes and published on a monthly basis on the website of the Ministry of Economic Development of the Russian Federation.

Source: Bank of Russia.

BANK OF RUSSIA'S FORECAST IN PROINFLATIONARY SCENARIO *Table 3.4*

	2024 (actual)	2025 (actual)	2026	2027	2028	2029
Key macroeconomic indicators (% growth YoY, unless indicated otherwise)						
Inflation, % in December YoY	9.5	5.6	6.0–7.0	4.5–5.5	4.0	4.0
Inflation, yearly average, % YoY	8.4	8.7	5.9–6.2	4.6–5.9	4.0–4.5	4.0
Key rate, yearly average, % p.a.	17.5	19.2	14.5–14.6[1]	13.0–15.0	11.0–12.0	8.5–9.5
Gross domestic product	4.9	1.0	0.0–1.0	1.0–2.0	0.5–1.5	1.5–2.5
– % change in Q4 YoY	*5.2*	*1.0*	*0.0–1.5*	*0.5–1.5*	*0.5–1.5*	*1.5–2.5*
Final consumption expenditure	5.5	2.9	1.5–2.5	1.5–2.5	0.0–1.0	1.5–2.5
– households	*6.8*	*3.6*	*1.5–2.5*	*1.5–2.5*	*0.0–1.0*	*1.5–2.5*
Gross capital formation	3.5	-4.9	(-3.5)–(-1.5)	0.0–2.0	(-0.5)–1.5	1.0–3.0
– gross fixed capital formation	*8.6*	*-0.4*	*(-1.5)–0.5*	*1.0–3.0*	*0.0–2.0*	*1.0–3.0*
Exports	–[2]	–[2]	0.0–2.0	(-1.0)–1.0	1.0–3.0	1.0–3.0
Imports	–[2]	–[2]	1.0–3.0	(-1.0)–1.0	(-2.0)–0.0	1.0–3.0
Money supply (national definition)	19.2	10.6	7–12	8–13	7–12	7–12
Banking system claims on economy in rubles and foreign currency[3]	16.4	9.5	6–10	4–9	6–11	6–11
– on organisations	*19.0*	*11.9*	*7–11*	*4–9*	*6–11*	*6–11*
– on households, including	*9.7*	*2.8*	*5–9*	*4–9*	*6–11*	*6–11*
housing mortgages	*10.4*	*7.8*	*6–10*	*5–10*	*8–13*	*8–13*
Balance of payments indicators[4] ($ bn, unless indicated otherwise)						
Current account	**63**	**39**	**48**	**10**	**13**	**8**
Balance of trade	132	113	119	82	87	83
Exports	*434*	*420*	*458*	*428*	*434*	*445*
Imports	*302*	*306*	*339*	*346*	*347*	*362*
Balance of services	-38	-49	-50	-50	-51	-51
Exports	*43*	*46*	*48*	*49*	*50*	*51*
Imports	*81*	*95*	*97*	*99*	*100*	*101*
Balance of primary and secondary income	-31	-26	-22	-22	-23	-24
Current account and capital account balance	**63**	**38**	**48**	**10**	**13**	**8**
Financial account balance, net of reserve assets	**56**	**44**	**43**	**29**	**21**	**15**
Net incurrence of liabilities	9	-5	15	6	6	7
Net acquisition of financial assets, net of reserve assets	66	39	59	35	27	22
Net errors and omissions	-10	-13	-9	0	0	0
Change in reserve assets	**-4**	**-19**	**-5**	**-19**	**-8**	**-7**
Crude price for tax purposes,[5] yearly average, $ per barrel	**68**	**56**	**60**	**45**	**45**	**45**

1 Given that from 1 January 2026 through 26 July 2026 the average key rate was 15.0%, the average key rate from 27 July 2026 through 31 December 2026 is forecast in the range of 13.7–14.0%. Additional information on the format of the key rate forecast is available in the methodological note.
2 Rosstat has not yet released the 2024–2025 data on GDP by expenditure in terms of exports and imports.
3 The banking system's claims on the economy mean all claims of the banking system on non-financial and financial organisations and households in rubles, foreign currency and precious metals, which include 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 participation in non-financial and financial organisations' equity, and other receivables on settlements with non-financial and financial organisations and households.
The growth rates of claims are adjusted for foreign currency revaluation. For the purpose of the adjustment for foreign currency revaluation, the growth of claims in foreign currencies and precious metals is recalculated into rubles at the period average RUB/USD exchange rate.
4 On the basis of the methodology set out in the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6). In the financial account, '+' denotes net lending and '-' denotes net borrowing. Final values may differ from the total of the respective values due to rounding.
5 The Russian crude price determined for tax purposes and published on a monthly basis on the website of the Ministry of Economic Development of the Russian Federation.
Source: Bank of Russia.

BANK OF RUSSIA'S FORECAST IN RISK SCENARIO *Table 3.5*

	2024 (actual)	2025 (actual)	2026	2027	2028	2029
Key macroeconomic indicators (% growth YoY, unless indicated otherwise)						
Inflation, % in December YoY	9.5	5.6	6.0–7.0	11.0–13.0	5.0–7.0	4.0
Inflation, yearly average, % YoY	8.4	8.7	5.9–6.2	7.3–9.3	9.3–11.4	3.6–4.4
Key rate, yearly average, % p.a.	17.5	19.2	14.5–14.6[1]	19.0–21.0	14.0–16.0	9.5–10.5
Gross domestic product	4.9	1.0	0.0–1.0	(-4.0)–(-3.0)	(-2.5)–(-1.5)	2.0–3.0
– % change in Q4 YoY	*5.2*	*1.0*	*0.0–1.5*	*(-9.0)–(-8.0)*	*2.5–3.5*	*2.0–3.0*
Final consumption expenditure	5.5	2.9	1.5–2.5	(-2.0)–(-1.0)	(-6.0)–(-5.0)	2.0–3.0
– households	*6.8*	*3.6*	*1.5–2.5*	*(-2.0)–(-1.0)*	*(-6.5)–(-5.5)*	*2.5–3.5*
Gross capital formation	3.5	-4.9	(-3.5)–(-1.5)	(-12.5)–(-10.5)	(-6.0)–(-4.0)	2.5–4.5
– gross fixed capital formation	*8.6*	*-0.4*	*(-1.5)–0.5*	*(-6.0)–(-4.0)*	*(-2.0)–0.0*	*2.0–4.0*
Exports	–[2]	–[2]	0.0–2.0	(-6.0)–(-4.0)	(-3.0)–(-1.0)	2.0–4.0
Imports	–[2]	–[2]	1.0–3.0	(-8.0)–(-6.0)	(-20.0)–(-18.0)	3.0–5.0
Money supply (national definition)	19.2	10.6	7–12	4–9	6–11	8–13
Banking system claims on economy in rubles and foreign currency[3]	16.4	9.5	6–10	0–5	2–7	9–14
– on organisations	*19.0*	*11.9*	*7–11*	*2–7*	*3–8*	*9–14*
– on households, including	*9.7*	*2.8*	*5–9*	*(-5)–0*	*(-1)–4*	*10–15*
housing mortgages	*10.4*	*7.8*	*6–10*	*0–5*	*2–7*	*12–17*
Balance of payments indicators[4] ($ bn, unless indicated otherwise)						
Current account	**63**	**39**	**48**	**5**	**4**	**9**
Balance of trade	132	113	119	47	35	42
Exports	*434*	*420*	*458*	*343*	*286*	*311*
Imports	*302*	*306*	*339*	*296*	*251*	*269*
Balance of services	-38	-49	-50	-26	-17	-17
Exports	*43*	*46*	*48*	*42*	*40*	*43*
Imports	*81*	*95*	*97*	*68*	*57*	*60*
Balance of primary and secondary income	-31	-26	-22	-16	-14	-15
Current account and capital account balance	**63**	**38**	**48**	**5**	**4**	**9**
Financial account balance, net of reserve assets	**56**	**44**	**43**	**11**	**17**	**13**
Net incurrence of liabilities	9	-5	15	-5	-1	2
Net acquisition of financial assets, net of reserve assets	66	39	59	6	16	16
Net errors and omissions	-10	-13	-9	0	0	0
Change in reserve assets	**-4**	**-19**	**-5**	**-6**	**-13**	**-4**
Crude price for tax purposes,[5] yearly average, $ per barrel	**68**	**56**	**60**	**35**	**25**	**30**

1 Given that from 1 January 2026 through 26 July 2026 the average key rate was 15.0%, the average key rate from 27 July 2026 through 31 December 2026 is forecast in the range of 13.7–14.0%. Additional information on the format of the key rate forecast is available in the methodological note.
2 Rosstat has not yet released the 2024–2025 data on GDP by expenditure in terms of exports and imports.
3 The banking system's claims on the economy mean all claims of the banking system on non-financial and financial organisations and households in rubles, foreign currency and precious metals, which include 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 participation in non-financial and financial organisations' equity, and other receivables on settlements with non-financial and financial organisations and households.
The growth rates of claims are adjusted for foreign currency revaluation. For the purpose of the adjustment for foreign currency revaluation, the growth of claims in foreign currencies and precious metals is recalculated into rubles at the period average RUB/USD exchange rate.
4 On the basis of the methodology set out in the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6). In the financial account, '+' denotes net lending and '-' denotes net borrowing. Final values may differ from the total of the respective values due to rounding.
5 The Russian crude price determined for tax purposes and published on a monthly basis on the website of the Ministry of Economic Development of the Russian Federation.
Source: Bank of Russia.