

Pregled ruskega gospodarstva, 20. april 2022

## **I. Banking sector**

### **Central Bank of Russia does not exclude further reduction of the key rate**

On the eve of the meeting on April 29, 2022, the Central Bank of Russia repeated the signal about the future direction of the monetary policy. On April 11, 2022, Central Bank of Russia lowered the key rate to 17% from 20%. To date, the regulator does not exclude further rate cuts at the next meetings. "In recent weeks, we have focused on refining support measures and easing our policy in those areas where the risks of financial stability have ceased to grow. We do not exclude further reduction of the key rate at the next meetings," said Vladimir Chistyukhin, First Deputy Chairman of the Central Bank of Russia at a meeting of the Presidium of the Governmental commission on the economy sustainability under sanctions.

Source: <https://www.interfax.ru/business/835749>

### **Central Bank of Russia eases foreign exchange control for Russian non-energy commodity exporters**

Central Bank of Russia has permitted non-energy commodity exporters to carry out the mandatory sale of their foreign currency revenue credited to their accounts with authorised banks starting from April 19, 2022, in the amount established by [Executive Order of the Russian President No. 79, dated 28 February 2022](#), no later than 60 business days from the date of its crediting to transit foreign currency accounts with authorised banks. Thus, the sale period has been extended from three to 60 business days. "The easing of the foreign exchange control rules will improve the capabilities of non-energy commodity exporters to manage their foreign currency liquidity. The permit is valid until 1 September 2022 and can be extended if necessary", the bank reported.

Source: <https://www.cbr.ru/eng/press/event/?id=12832>

### **Central Bank of Russia discussed anti-crisis measures with business associations**

A gradual decline in inflation will help businesses adapt to new conditions, ensure the availability of long-term investment loans, said Russian Central Bank Governor Elvira Nabiullina, at a meeting with representatives of "OPORA Rossii" and "Delovaya Rossiya" business associations, and the Chamber of Commerce and Industry of Russia, held on April 20, 2022.

The meeting discussed the development of credit support for SMEs, the easing of foreign exchange controls for exporters and importers, the transition to transactions in national currencies in foreign economic contracts, reducing the costs of accepting non-cash payments due to the wider use of the Fast Payment System, as well as other topical issues. **The meeting participants noted the relevance of the Central**

**Bank of Russia's revolving lending program, which allows not only to take a soft loan, but also refinance previously received loans at a floating rate. As of April 18, 2022, banks have already spent almost half of the program limit (165 billion rubles out of 340 billion rubles).**

Source: <https://www.cbr.ru/press/event/?id=12831>

**Governor of the Central Bank of Russia announced the decision to challenge the freezing of its reserves in the courts**

The Central Bank of Russia will challenge the freezing of its gold and foreign exchange reserves and is already preparing lawsuits. This was stated by Central Bank Governor Elvira Nabiullina in the State Duma, reported TASS. "This is an unprecedented freeze of gold and foreign exchange reserves, we are preparing the lawsuits to present them", she said. Earlier it was reported that due to sanctions Russia lost access to about half of its reserves (US\$ 300 billion out of US\$ 640 billion).

Source: <https://www.rbc.ru/economics/19/04/2022/625e75aa9a79470ee77e541c>

**State Duma passed in the second reading a bill banning Russian banks from providing foreign competent authorities with information on clients and transactions**

The bill aims to minimise the risks associated with the adoption of amendments to national legislation by "unfriendly" states to obtain confidential information constituting bank secrecy from foreign banks under the threat of penalties.

Source: <https://sozd.duma.gov.ru/bill/1193544-7>

## **II. Foreign trade and commodity markets**

**Russian government may cancel tax controls over export prices for fertilizers**

**The Russian government may cancel tax controls on export prices for mineral fertilizers for 2022–2023. The proposal is contained in an additional list of measures to the plan to support the economy amid sanctions. It is supposed to cancel the control by excluding fertilizers from the number of goods of the world exchange trade. The initiators of the proposal are the Russian Union of Industrialists and Entrepreneurs (RSPP) and Uralchem, the responsible executors are the Ministry of Industry and Trade and the Federal Tax Service. This initiative will allow exporters to avoid the risk of additional taxes amid sharp increase in global prices for fertilizers.**

**The tax controls envisages checking the compliance of the export price with the market level. If the price is lower than the market price, the exporter may be subject to additional taxes and a fine. The companies are required to annually notify the tax authorities of controlled transactions by May 20, and, at the request of the Federal Tax Service, to provide documents confirming the**

**"market" of transactions.**

**The transactions of affiliated companies and transactions between independent persons in the amount of more than 120 million rubles per year fall under control, if they relate to goods of world exchange trade. These are oil, ferrous, non-ferrous and precious metals, mineral fertilizers, and precious stones.**

**The mechanism of controlled transactions has been operating since 2012.**

**Source:** <https://www.vedomosti.ru/economics/articles/2022/04/19/918884-kontrol-nalogovikov-udobreniya>

### **Hungary will not support sanctions against Russian oil and gas**

Hungary will not join the EU sanctions against Russian oil and gas, Hungarian Foreign Minister Peter Szijjártó said April 20, 2022. He added that Russian gas deliveries to Hungary are proceeding without any interruptions.

Source: <https://www.interfax.ru/world/835686>

### **Gazprom did not book transit through Poland for May**

Gazprom did not select capacity for the Polish section of the Yamal-Europe pipeline during the capacity reservation session in May 2022, according to an auction on the GSA Platform reservation platform. The auction offered 89 million cubic metres per day - all of which was not booked.

Source: <https://www.interfax.ru/business/835676>

### **Russian oil companies continue to reduce oil refining volumes**

Russian oil companies continue to reduce oil refining volumes due to difficulties with exports amid EU and US sanctions. Average daily refining volumes fell by 6% in the first half of April 2022. The problems with sales of oil and petroleum products may worsen in May 2022 due to a reduction in purchases by large international traders. Export difficulties are forcing companies to increase domestic sales, which has already caused gasoline prices to hover at spring 2020 levels, when oil cost less than US\$ 30 a barrel amid lower demand due to the pandemic.

Source: <https://www.kommersant.ru/doc/5316387>

## **III. Russian economy related developments**

### **Russian economy sustainability under sanctions**

On April 19, 2022, Russian Prime Minister Mikhail Mishustin held a meeting of the Governmental commission on the economy sustainability under sanctions. He said that Russia's economy withstood the sanctions' pressure quite well. The situation in the financial and banking sectors is stable and the pace of consumer price inflation has moderated. Russian Economy Development Minister Maxim Reshetnikov said

that the stocks of basic food products in retail chains returned to levels seen in the middle of February 2022. The consumer prices increased by 0.66% in the week of April 2-8, 2022, while the weekly inflation figures were close to 2% in the beginning of March 2022. Russian Finance Minister Anton Siluanov said that trust to the banking system was restored and 2.4 trillion rubles returned to the banking system.

Source: <https://rg.ru/2022/04/20/v-kabinete-ministrov-zaiavili-o-stabilizacii-ekonomiki-na-fone-sankcij.html>

### **Prices for some consumer products and foodstuffs began to decline in Russia**

According to the Russian Federal State Statistics Service, in the first week of April the growth in prices for most goods slowed down significantly, and prices for some products fell noticeably. Retail chains made a downward revision of prices for some consumer products and foodstuffs. Retail prices for notebook and tablet computers declined by 25%, detergents – by 15%, tomatoes – by 5.3% and cucumbers – by 5%. Against this background, sales volumes for almost all goods decreased in relation to mid-February 2022 (before the start of increased demand), the Russian Federal Tax Service reported.

Source: <https://rg.ru/2022/04/19/stoimost-produktov-i-tehniki-nachinaet-snizhatsia-no-ne-tak-bystro.html>

### **Russia will not yet impose a ban on the entry of the EU trucks**

Russia will not yet impose a ban on the entry of the EU trucks into the country in response to the EU sanctions. At the same time, the Russian Transport Ministry will monitor a flow of freight from the EU brought by the EU-registered trucks. This decision was made at a meeting at the Russian Transport Ministry on April 19, 2022. The meeting was attended by business representatives, who expressed the opinion that a potential ban could disrupt important supplies of equipment, including European machine tools, conveyors, consumables, and spare parts. The timing for mentioned monitoring was not specified.

Source: <https://rg.ru/2022/04/20/proezd-fur-iz-evropy-v-rossiiu-poka-zapreshchat-ne-budut.html>

### **Updated list of companies that have announced to either fully or to some extent stop or suspend their operations in Russia:**

<https://www.kommersant.ru/doc/5240137>

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