

RECENT TRENDS IN RUSSIAN LIVING STANDARDS

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Overall standards of living

The effects of the 1998 economic crisis on the living standards of the Russian people are already becoming apparent in the latest statistics. Goskomstat reports that real after tax income fell by 16.3% in 1998. The decline towards the end of the year was even more pronounced. Average wages, for example, were 13.8% lower for 1998 as a whole, but 39.9% down when comparing monthly wages in December 1998 with December 1997. These losses outweigh the modest gain of the previous year and restore the downward trend in real wage rates which has now reduced wages to one half of their value in 1990 (see Figure 1). Other Eastern European countries also experienced declining real wages in the early 1990s, but by 1995 both Poland and the Czech Republic had recovered their early losses, while the decline in Hungary was less than one half that in Russia. Of the five countries covered by Figure 1, only Bulgaria has experienced a comparable decline in real wages.

Figures for total income paint a similar picture. United Nations estimates suggest that the purchasing power of average income in the USSR in 1987 was equivalent to about \$6000, or 32% of the level in the United States at that time. The position relative to the US remained stable throughout the 1980s. But UN figures for 1996 report that income per head in Russia had dropped to 4531 PPP\$ (purchasing power parity dollars), and that the ratio to average income in the US had dropped to 17%. Corresponding figures for recent months are likely to show that US incomes were 8 times higher for 1998 as a whole, and 10 times higher at the beginning of 1999.

Since 1990 the United Nations has produced a Human Development Index, which broadens the scope of living standard comparisons to cover health and education factors as well as real income. The 1991 figures based on data for 1985-90 placed the USSR in 31st position out of 160 countries. This was about midway among the list of "High Human Development" countries. In the most recent report, based on 1995 data, Russia is placed in the "Medium Human

Development” category, in 72nd place among 173 countries. The list of countries judged to have overtaken Russia includes Bulgaria, Poland, Brazil, Mexico and Turkey.

Table 1 shows that the UN human development score is highly correlated with real GDP per capita. The high level of education in Russia tends to improve its relative position, but this is offset by poor health indicators. Life expectancy is widely viewed as an important indicator of quality of life differences in international comparisons, and the Russian figures have special significance. Life expectancy in Russia is lower than in any other country in Table 1, apart from India, mainly because of the very high mortality rate amongst men. As Figure 2 shows, male life expectancy in 1990 was similar to many countries in eastern Europe, but there was a dramatic decline in the post-Reform era, a fall unprecedented in terms of both its magnitude and the speed at which it occurred. Projections by the US Department of Census suggest that male life expectancy in Russia will not return to the 1990 level before the year 2010. Female life expectancy also declined significantly between 1989 and 1994, but not to the same extent. As a consequence, the gap between male and female life expectancy (13 years) is now the highest in the world.

The marked decline in average real incomes during the past decade has been accompanied by a significant rise in inequality. World Bank data (see Table 2) confirm that income inequality in the USSR was relatively low by international standards. In 1980, for instance, the average income of those in the top quintile was about 3.5 times the income of those in the bottom quintile. Corresponding figures for 1996 show that the ratio has more than doubled. The Gini coefficient, which measures inequality on a scale from 0 (complete equality) to 1, also indicates a low value for 1980 and a small upward trend over the next decade. This is in line with the experience of growing inequality in many other countries, including the United States and western Europe. But after 1989 income inequality in Russia continued to rise, and at a much faster pace. The data in Table 2 suggest that Russian income inequality in 1993 exceeded that in many European countries such as Finland, Poland, Hungary and Germany. Other recent evidence on growing inequality in Russia is provided by Gini coefficient values for earnings (see Figure 3) which show that earnings inequality rose by 80 percent between 1990 and 1996. The consensus among experts is that the true Gini index value for both earnings and total income in Russia is now in the neighbourhood of 0.5. This is the level traditionally associated with countries with a very high degree of inequality, like South Africa and Latin America countries

such as Brazil, Chile and Mexico.

The combination of falling real incomes and rising inequality is normally expected to lead to a significant rise in poverty, but this is not reflected in Goskomstat figures for the poverty rate (the share of the population below subsistence level). The latest data report a poverty rate of 23.8 percent for 1998, roughly the same as 1994, and below the rate recorded for 1992-3 (see Figure 4). These unexpected results are partly explained by variations over time in the real value of the poverty standard, although the official real subsistence level in 1998 was roughly the same as that in 1992 (indexed by the CPI). If the poverty rate statistics are accurate, they suggest that social safety net provisions have been relatively successful in protecting the most vulnerable groups during a period of major social upheaval.

It is difficult to make poverty comparisons across countries, given that different countries tend to adopt different poverty lines. When national standards are applied, World Bank figures show the poverty rate in Russia to be a little lower than the Ukraine or India, but above the level in Mexico and Brazil, and far above the rate in China. However, when the same poverty line of 2 PPP\$ per person per day is applied to all countries, the poverty rate in Russia is seen as one of the lowest in Table 3. This again supports the view that safety net features have been successful in mitigating cases of extreme poverty, and also suggests that the official Russian poverty line is relatively generous by international standards.

A broader set of poverty related indicators are employed in the United Nations Human Poverty Profile for industrialised nations. The data in Table 4 indicate that the situation in Russia around 1990 was roughly comparable to that in Bulgaria, Romania, Belarus and the Ukraine in terms of income. But here again, the mortality indicators portray Russia in a worse light than most other countries with a similar standard of living.

Many factors have contributed to the recent rise in mortality, including poverty, deteriorating health services, alcoholism, drug abuse, environmental pollution and hazardous working conditions. Other factors related to social stress are also regarded as important. The Social Stress and Social Change indicators provided by the United Nations (see Table 5) show that Russia heads the league in respect of male suicides, divorce rates, and the proportion of single female parent families. Male homicides and the number of teenage mothers are also high

by international standards. However, the data in Table 5 cover both pre- and post-reform years, so these social problems are not new phenomena.

The overall picture of Russia is one of a country which was already exhibiting signs of stress in the pre-Reform era. The problems associated with transition, especially the decline in real wages and incomes, have undoubtedly exacerbated the social difficulties. But given the circumstances, it is perhaps surprising that the social situation is not far worse. In particular, while the worst-off groups have fared badly in comparison with other countries in transition, and in comparison with life in the late Soviet era, they have not yet been reduced to the life styles common in countries with a similar average level of income. There are grounds for thinking that some resources need to be reallocated towards improvements in health. But the key to an overall improvement in future living standards is a solution to the economic crisis and a more favourable macroeconomic climate.

Table 1: United Nations Human Development Index (1995 data)

	Life expectancy at birth	Adult literacy rate	Combined first-, second- and third- level gross enrolment ratio	Real GDP per capita	Human Development Index
	years	%	%	PPP\$	%
USA	76.4	99	96	26977	94
Finland	76.4	99	97	18547	94
Japan	79.9	99	78	21930	94
Germany	76.4	99	81	20370	92
Czech Republic	72.4	99	70	9775	88
Slovakia	70.9	99	72	7320	88
Hungary	68.9	99	67	6793	86
Poland	71.1	99	79	5442	85
Bulgaria	71.2	98	66	4604	79
Russia	65.5	99	78	4531	77
Romania	69.6	98	62	4431	77
Belarus	69.3	98	80	4398	78
Estonia	69.2	99	72	4062	76
Lithuania	70.2	99	70	3843	75
Latvia	68.0	99	67	3273	70
Kazakhstan	67.5	99	73	3037	70
Ukraine	68.5	98	76	2361	67
Armenia	70.9	99	78	2208	67
Mexico	72.1	90	67	6769	86
Brazil	66.6	83	72	5928	81
Turkey	68.5	82	60	5516	78
China	69.2	82	64	2935	65
India	61.6	52	55	1422	45
All developing countries	62.2	70	57	3068	59
Industrial countries	74.2	99	83	16337	91
World	63.6	78	62	5990	77

Source: United Nations Development Program 1998

Table 2: Distribution of income or consumption

				Percentage share of income or consumption						
			Gini Index (%)	Lowest 10%	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%	Highest 10%
Soviet Union	1980	c	24.6	..	9.5	14.5	18.5	23.5	34.0	..
Soviet Union	1985	c	25.6	..	9.4	14.3	18.1	23.1	35.1	..
Soviet Union	1988	c	26.2	..	9.3	14.1	18.1	23.1	35.4	..
Soviet Union	1989	c	27.8	..	8.9	13.7	17.9	22.9	36.6	..
Russia	1993	d	30.5	..	7.4	12.7	17.8	24.3	37.8	..
Russia	1993	b	31.0	3.0	7.4	12.6	17.7	24.2	38.2	22.2
Russia	1996		.	..	5.5	10.2	15.0	22.4	46.9	..
Belarus	1993	b	21.6	4.9	11.1	15.3	18.5	22.2	32.9	19.4
Romania	1992	b	25.5	3.8	9.2	14.4	18.4	23.2	34.8	20.2
Finland	1991	b	25.6	4.2	10.0	14.2	17.6	22.3	35.8	21.6
Ukraine	1992	b	25.7	4.1	9.5	14.1	18.1	22.9	35.4	20.8
Czech Republic	1993	b	26.6	4.6	10.5	13.9	16.9	21.3	37.4	23.5
Poland	1992	a	27.2	4.0	9.3	13.8	17.7	22.6	36.6	22.1
Hungary	1993	b	27.9	4.1	9.7	13.9	16.9	21.4	38.1	24.0
Germany	1989	b	28.1	3.7	9.0	13.5	17.5	22.9	37.1	22.6
India	1994	a	29.7	4.1	9.2	13.0	16.8	21.7	39.3	25.0
Bulgaria	1992	b	30.8	3.3	8.3	13.0	17.0	22.3	39.3	24.7
Kazakhstan	1993	b	32.7	3.1	7.5	12.3	16.9	22.9	40.4	24.9
United States	1994	b	40.1	1.5	4.8	10.5	16.0	23.5	45.2	28.5
China	1995	b	41.5	2.2	5.5	9.8	14.9	22.3	47.5	30.9
Mexico	1992	a	50.3	1.6	4.1	7.8	12.5	20.2	55.3	39.2
Brazil	1995	b	60.1	0.8	2.5	5.7	9.9	17.7	64.2	47.9
Source: World Bank and Goskomstat										
Notes: a. distribution of per capita expenditure.										
b. distribution of per capita income.										
c gross personal income										
d net household income										

Table 3: Percentage of the population below the poverty line

	National poverty line		International poverty line		
				\$1 a day	\$2 a day
Hungary	1993	25.3	1993	<2	10.7
Poland	1993	23.8	1993	6.8	15.1
Bulgaria		..	1992	2.6	23.5
Russia	1993	30.9	1993	<2	10.9
Romania	1994	21.5	1992	17.7	70.9
Belarus		..	1993	<2	6.4
Ukraine	1995	31.7		..	..
Kyrgyz Republic	1993	40.0	1993	18.9	55.3
Mexico	1988	10.1	1992	14.9	40.0
Brazil	1990	17.4	1995	23.6	43.5
China	1994	8.4	1995	22.2	57.8
India	1994	35.0	1992	52.5	88.8
Kazakhstan		..	1993	<2	12.1
Turkmenistan		..	1993	4.9	25.8

Source: World Bank Development Report 1998

Table 4: United Nations Human Poverty Profile

	Population below income poverty line EU and OECD standard	Population below income poverty line \$14.40 a day (1985 PPP\$)	Real GDP per capita Poorest 20%	Real GDP per capita Richest 20%	People not expected to survive to age 60	Maternal mortality rate	Infant mortality rate	Under-five mortality rate
	%	%	PPP\$	PPP\$	%	per 100,000 live births	per 100,000 live births	per 100,000 live births
	1980-94	1990	1980-94	1980-94	1995	1990	1996	1996
USA	19	3	5800	51705	13	12	8	8
Japan	12	5	8987	38738	8	18	4	6
Germany	6	12	6594	37963	11	22	5	6
Finland	6	4	5141	30682	11	11	4	4
Czech Republic	..	1	4426	15764	14	15	6	7
Slovakia	..	1	3344	8823	19	..	10	11
Hungary	10	2	2878	11088	24	30	11	12
Poland	12	13	2186	8605	20	19	12	14
Bulgaria	..	33	1793	8489	18	27	16	19
Russia	22	38	1881	12804	32	75	20	25
Romania	..	22	1714	6485	21	130	21	25
Belarus	..	23	2355	6981	24	37	14	18
Kazakhstan	..	50	1391	7494	26	80	38	45
Ukraine	..	41	1544	5753	24	50	18	24
All developing countries	..	..	768	6195	27	488	65	95
Industrial countries	..	..	4811	32273	16	30	13	16
World	..	..	1759	12584	25	430	60	88
Eastern Europe and CIS	..	..	1505	9962	26	62	26	33

Table 5: Social Stress and Social Change

	Intentional homicides by men (per 100,000 people) 1985-90	Suicides (per 100,000 people) males 1985-94	Suicides (per 100,000 people) females 1985-94	Divorces (as % of marriages) 1992-95	Single female parent households (%) 1985-91	Births to mothers aged 15-19 (%) 1992-95
USA	12	20	5	50	8	13
Finland	4	44	12	59	10	3
Japan	1	23	11	..	5	..
Germany	1	23	9	38	8	3
Czech Republic	1	..	..	57	..	11
Slovakia	..	..	..	33	..	12
Hungary	4	56	17	46	..	12
Poland	3	25	5	18	..	8
Bulgaria	4	25	10	29	..	23
Russia	9	74	13	62	35	18
Romania	..	..	..	23	..	17
Belarus	..	49	10	55	8	14
Kazakhstan	..	40	9	34	..	13
Ukraine	..	38	9	54	..	20
Industrial countries	5	29	8	42	..	10
Europe	2	20	7	32	..	3
Eastern Europe and CIS	..	48	10	45	..	14
Source: United Nations Development Program, 1998						

Figure 1: Trends in Real Wages

Figure 2: Male Life Expectancy in Years

Figure 3: Gini Index for Earnings Inequality (Percent)

Source: UNICEF

Figure 4: Percentage of population below subsistence level (annual average)

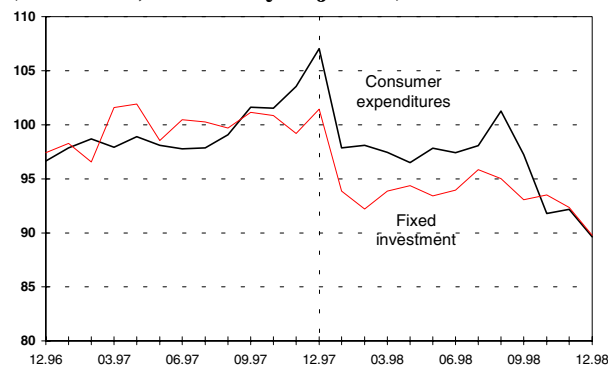
Source: Goskomstat

ECONOMIC UPDATE

Aggregate demand

In December seasonally adjusted real consumer expenditures on goods and services fell by 2.8%, and were 16.3% lower than in December 1997. Real expenditures on food dropped by 6% in a month (-9% over December 1997), expenditures on services decreased by 4.7% (-10% over December 1997). Expenditures on non-food items remained unchanged compared to November, but were 25.8% lower than a year ago. Seasonally adjusted real expenditures on new construction and equipment (a proxy for gross fixed investment) also continued to decline in December (by 2.8% in a month) and were 11.5% lower than in December 1997. An extremely low level of real incomes (both personal and business) continues to limit aggregate demand, and unless prices start to decline, will rapidly put an end to the real sector growth which began at the end of the year.

Components of aggregate demand (1997=100, seasonally adjusted)

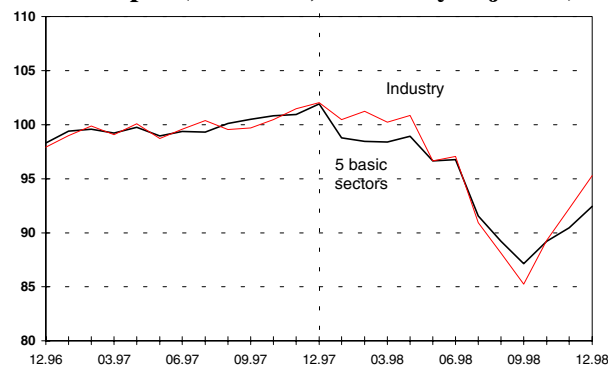


Source: Goskomstat.

Output

The seasonally adjusted index of aggregate output, covering 5 basic industries, continued to recover for the third month in a row. In December it was 6.1% higher than at September's trough but still 9.3% lower than in December 1997. Rapid recovery has been especially pronounced in industry, where output in October-December increased by 11.8%, almost reaching the level of May 1998. In the last three months of the year production rapidly increased in machinery (+28%), non-ferrous metallurgy (+24%), food processing (+18%), ferrous metallurgy (+13%) and chemicals (+11%). In the last three months of 1998 some growth was also observed in agriculture and freight transportation. The future will show whether the fourth quarter increase was a mere restoration of equilibrium after the crash in the third quarter, or the beginning of long-term sustainable growth.

Gross output (1997=100, seasonally adjusted)



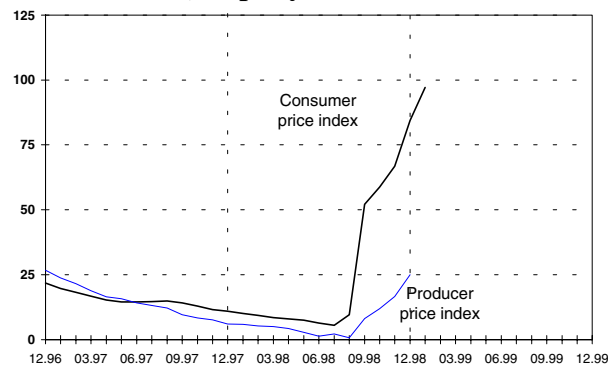
Note: Index of gross output of 5 basic sectors includes industry, construction, agriculture, transportation and trade.

Source: Goskomstat.

Prices

In January CPI increased by 8.5% and yearly inflation reached 97.1%. In December the composite PPI increased by 6.5%, 25% higher than a year ago. PPI in industry grew by 23.3% in 1998. The highest rates of PPI growth are observed in consumer-oriented import-substituting industries. PPI for industrial consumer goods increased by 53.4%, and for agricultural animal products by 64.6%. The same is true for export-oriented industries: 1998 PPI growth for non-ferrous metals was equal to 76.1%.

Inflation rates, % per year



Source: Goskomstat.

and for forest products 42.6%.

Labour market

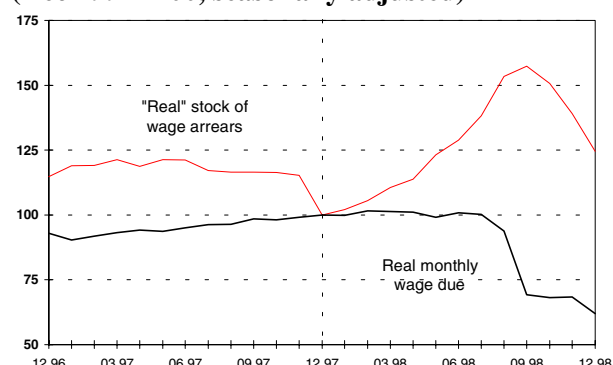
In December seasonally adjusted real wage due dropped by 9% and was 38% lower than a year ago. The decline in wage due was somehow compensated by repayment of wage arrears, both by enterprises and the government. Wage arrears of enterprises decreased in December by 9%, to R57.3 bn Budget wage arrears fell by 11% to R19.7 bn. In December employees were repaid R8.0 bn, equal to approximately 15–20% of the average 1998 monthly wage fund. Still, the stock of wage arrears in terms of the monthly wage fund by end-1998 was 25% higher than a year ago, provoking strike activities, especially among school teachers. In December 1,873 strikes with duration of at least one full working day were registered, 3.4 times more than a year ago.

Foreign trade

In November exports fell by \$100 mn to \$5.9 bn, but remained well below the level of the same period in 1997 (down 26%). Imports amounted to \$3 bn, the same as in October, but compared to November 1997 imports were down 50%. Due to the decline in imports Russia's trade surplus has continued to grow, and for the period January to November standing at \$10.3 bn, with November alone accounting for \$2.9 bn. The cumulative trade surplus for the period January to November 1997 amounted to \$13.8 bn.

The Ministry of Trade has predicted growth in trade in the order of 3–4% for the next three years. However, the outlook for this scenario is somewhat bleak with the continued fall in world commodity prices expected, at least for 1999. With no sign of economic recovery, such predictions seem overly optimistic. Furthermore, the Ministry predicts a trade surplus for these years in the region of \$26–28 bn, and a surplus of \$28 bn for 1998. However, this is according to trade registered at the border which, especially for imports, fails to take into account shuttle trade. For January to November 1998 the Customs Authorities reported imports equal to \$40.9 bn, compared with Goskomstat's \$55.5 bn. Thus unrecorded imports amount to approximately \$15 bn. For exports the difference between the two sources is very small.

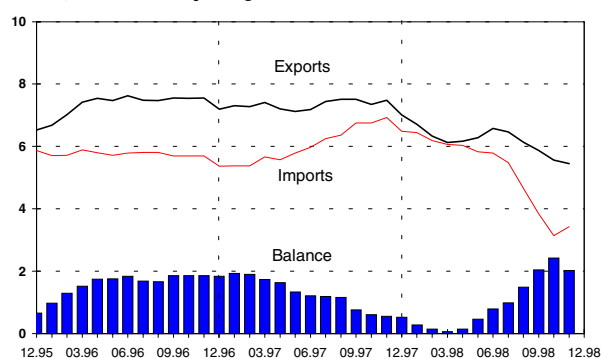
Real wages and wage arrears (Dec-1997=100, seasonally adjusted)



Note: Index of "real" wage arrears is calculated in terms of monthly wage fund.

Source: Goskomstat.

Merchandise exports and imports (\$ bn, seasonally adjusted)



Source: Goskomstat

Enterprise finances and banking

In November the nominal stock of arrears continued to grow, but no extraordinary dynamics was observed in any sector. Bankruptcy suits keep springing up, although some may not enhance efficiency.

Despite calls for reversal of the privatisation process from the Duma, the Chief prosecutor's and Moscow mayor's offices, PM Primakov denied the possibility of renationalisation. Aleksandr Braverman, the acting head of the State Property Ministry appointed after Gazizulin's resignation in January, said upcoming privatizations, including that of Sviazinvest, will attempt to target small investors.

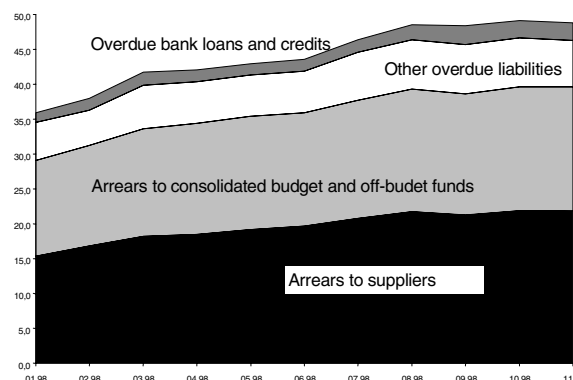
Very little progress has been made in banking sector reform. The draft of the essential law 'On banking system restructuring' has not yet been finalized by the cabinet. In January the Duma voted against allowing the CBR to hold 49% of shares in the Agency for Restructuring of Credit Organizations. Although ARCO's charter has been drawn up, and Victor Gerashchenko was appointed the Chairman of the Board of ACRO, the Agency still does not have legal powers to seize shares in banks and interfere in their operations. In the meantime, the CBR continues to give credits to troubled banks, occasionally collateralised by the bank's shares. The government has disbursed low interest agricultural loans to several banks, including SBS-Agro and Rosbank.

The budget

At the time of writing this report, data on regional budgets were not available. Thus, figures for December and for the 12 months of 1998 are preliminary.

In 1998, the federal government ran a budget deficit (IMF definition) of 5% GDP. Federal revenues amounted to R245bn, or 9.1% GDP, and expenditures were R379 bn, equal to 14.1% of GDP. In December alone, federal revenues stood at R29bn, up from R21bn in November. The main reasons were seasonal effects (tax collections tend to increase at the end of the year), inflation and use of offsets. The total amount of "earmarked financing", or taxes collected in non-monetary forms in 1998, amounted to R29.3 bn, of which R5.2 bn in November, and R14.5 bn in December. In December there was also a significant increase in tax collection related to foreign economic activities (R10.2 bn compared to R6.3 bn in the previous month), explained by a combination of seasonal effects (imports normally rise at the end of the year) and the continued weak-

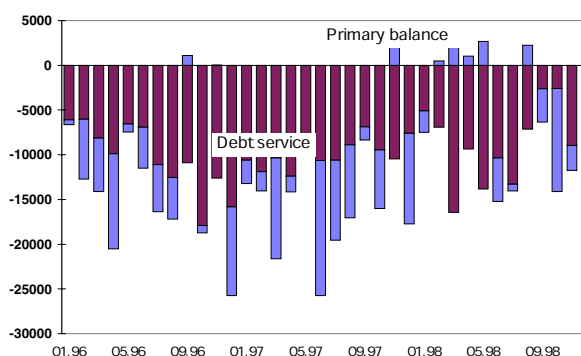
Arrears, % of GDP*



* Data is for 9 main sectors of the economy (see Table 7 in statistical appendix for the list of sectors). September 1998 GDP data were used in calculating October arrears ratio, full year 1998 data were used in calculating November arrears ratio.

Source: Goskomstat

Federal budget deficit, R bn



Source: Ministry of Finance

ening of the rouble. Federal expenditures reached R49.6 bn in December. Interest payments comprised R10.2bn, most of which were related to Eurobonds. Wage payments (both current and arrears) constituted R10.5bn, and R1.6 bn of pensions to the military were paid out in December. As of December 1, wage arrears of the federal budget stood at roughly R10 bn; of which R6 bn were paid out in December. The remaining R4 bn will be part of January expenditures. To enable regional governments to pay off some of their arrears, around R0.5 bn were transferred from the federal budget.

The 1999 budget was passed by the Duma in the fourth (final) reading on 5 February. Spending on the presidential administration were finally cut by 20% instead of the proposed 40%. At the same time spending on Duma administration are to be cut by a mere 3.7% this year. The 1999 budget envisages revenues of R473.8 bn, expenditure of R575.1 bn, with a deficit, after interest payments, fixed at R101.3 bn, or 2.53% of GDP, part of which is planned to be financed by Central Bank credits (R32.7 bn). In addition, the government assumes getting \$7 bn in external loans in 1998 to finance a significant amount of expenditures on foreign debt service. The IMF mission left Moscow last week, having announced that they would return after receiving and evaluating new policy proposals from the Russian Government.

Financial markets

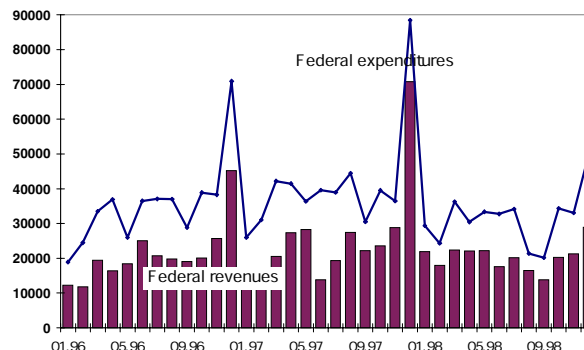
Nearly six months after the suspension of Russia's domestic debt market, on January 15 the CBR relaunched trading. However, so far interest has been limited despite yields of 120%, twice the size of the refinancing rate. The new securities are to be used in the restructuring of frozen GKO and OFZ, standing at R108 bn for domestic creditors. The attempt to revive the domestic debt market has had little effect hitherto in pulling roubles away from the foreign exchange market.

Share prices remain low, and trading in the most liquid shares limited. The Moscow Times \$ index fell 8.6% in January as the government's negotiations with the IMF drag on, so far without concrete results. Furthermore, due to the crisis investment funds have been forced to trim their Russian portfolios.

Money

According to the Ministry of Finance, in the fourth

Federal revenues and expenditures, R bn



Source: Ministry of Finance

IMF definitions of revenues, expenditure and deficit are used. Revenue figures for June-December 1999 have been revised.

Moscow Times \$ Index (The Russian bubble)



Source: Moscow Times

Monetary base (weekly data, R bn)

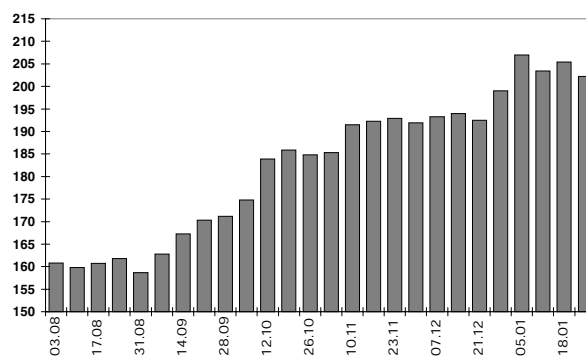
quarter of 1998 money emissions totalled R23.5 bn, corresponding more or less to the increase in monetary base (currency in circulation and commercial banks' required reserves held at the CBR). Since the first week of January, when monetary base increased 4%, money printing has been kept at a minimum and base money has fallen, standing at R202.2 bn on January 25.

External debt obligations are still a hot topic. Russia managed to pay \$320 mn on Eurobonds in January, with the next payment due in late March. Nevertheless, the prospect for Russia fulfilling its obligations, even at the budgeted \$9.5 bn (compared to \$17.5 bn actually due) looks increasingly gloomy. International reserves, now at their lowest level since May 1995 (\$11.6 bn), are likely to fall further. As a result the government, in 1999, is likely to prioritise payments on Eurobonds and loans to the IMF and the World Bank.

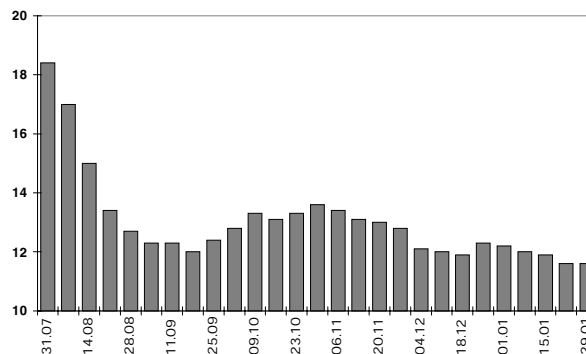
The exchange rate

The rouble remains under pressure. In January it depreciated another 8.6%, ending at R22.6/\$ for the official rate and R23.1/\$ on MICEX (afternoon session). In terms of daily volume traded the 75% obligatory sale of export revenue, introduced in January, has meant an increase of 32% in the morning session. Commercial banks (trading in the afternoon session) are still short of cash, limiting their ability to buy dollars, and thus preventing further depreciation. Furthermore, the spread between the morning and afternoon sessions narrowed in January, indicating that the market is stabilising, and has become less attractive for speculation.

Inflation continues to lag behind the nominal depreciation of the rouble, thus the real depreciation of the rouble continues. It has depreciated 46% in real terms since July. Although this has negative consequences for Russian importers, domestic producers and exporters have suddenly become more competitive. This partly explains the rise in industrial production seen in the last quarter of 1998.

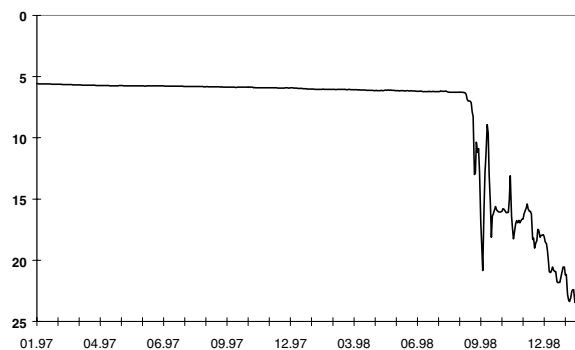


Gross reserves (weekly data, \$ bn)



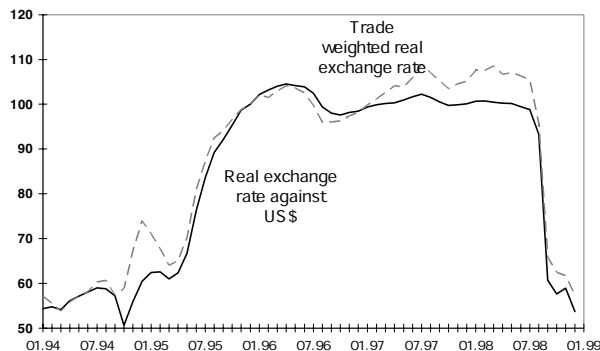
Source: CBR

The rouble exchange rate (R/\$)*



* MICEX exchange rate till 17th August. CBR rate from then on. Source: CBR

The real exchange rate



Source: Moscow Times, Goskomstat, Financial Times