Prospects for EU/UK/Russia economic relations

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Merchandise Imports to the Russian Federation

(CIF from Partner Countries, USD million)

Sources: IMF Direction of Trade Statistics, staff calculations.

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Foreign direct investments

Net FDI inflows to the Russian Federation
(BoP, USD Million)

FDI to the Russian Federation, Allocation by Country, 2019

Sources: Bank of Russia, IMF staff calculations.
The world economic outlook is grim

Real GDP Growth
(Quarter-over-quarter percent change, annualized)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2009</th>
<th>2021</th>
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<tbody>
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<td>Europe</td>
<td>1.6</td>
<td>-6.6</td>
<td>-4.7</td>
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<tr>
<td>Advanced Europe</td>
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<td>-7.3</td>
<td>-4.3</td>
<td>4.7</td>
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<td>Euro area</td>
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<td>4.7</td>
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<tr>
<td>Emerging Europe</td>
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<td>Emerging Europe ex. Russia &amp; Turkey</td>
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<td>-5.0</td>
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<tr>
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</tbody>
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Sources: Haver Analytics; IMF, World Economic Outlook; and IMF staff calculations.
Trade and FDI flows will slow

• Dislocations from China’s supply interruptions dominated initial drop in global trade. Now, aggregate demand and the collapse in cross-border tourism.

• In Russia, the shock will dampen consumer import demand, with many to vacation domestically this summer.

• Imports of goods and services will shrink by about 18% in 2020 and increase to about 8% in 2021.

• Global FDI flows are expected to fall by more than 30% in 2020 even under the most optimistic scenario for the outlook (OECD).