

Russian Economy 2013 : A Mixed Picture

In Russia, 2013 we saw a confirmation of the economic slowdown that became obvious by the second semester of 2012. The slowdown has even get worse over this summer. Still, during the same period, Russia has also experienced a strong increase in foreign direct investments, confirming the attractiveness of the Russian economy. This gives us a view to the mixed picture of an economy in search of its identity among various models. Today, the Russian economy has to meet several challenges. The slowdown in growth puts into question the choice of a model mainly driven by exports, be they of commodities or of semi-finished products. We must dispense once and for all with the myth of Russia being some kind of an oil emirate. Fossil fuels make up only 10% of the GDP of Russia, and they count for some 50% of its budgetary resources.

The question arises as to how much Russia should re-concentrate onto its own economic space and onto the neighboring countries. Such are the stakes of the Eurasian Customs Union constituted with Kazakhstan and Belarus. This customs union stands, in fact, as a contradiction to the influence of the European Union. However, the latent conflict between Russia and the EU should not be exaggerated. The EU remains the foremost client for Russian exports.

But this is not by far the only challenge. To these must be added a new international role, the best instance of which has been provided by the recent action in Syria (September 2013), and the developing strategic partnership with China. However, in order to benefit effectively of its newly acquired influence, Russia must find back to the path of a long-lasting, sustained growth. It is clear therefore that presently both challenges, internal as well as external, combine. Russia faces indeed a time of choices.

The G-20 Summit which took place in Petersburg in 2013 offered an occasion to define some of the new challenges as well as the new opportunities. Granted that a large part of the discussions were monopolized by the situation in Syria. But extremely important economic decisions have also been announced, in the context of a deteriorating Russian economy. While growth continued to slow down, important contracts have been signed with China. Moreover, it was at the occasion of this international reunion that the announcement was made of a common decision taken with Peking to constitute a fund amounting to some 100 billion dollars for the purpose of creating the embryo of a new reserve currency. It is true that the pursuit of its policy of budgetary expansion by the Federal Reserve of the United States, added to the political difficulties concerning the budget of the United States encountered by President Obama [1], render ever more urgent the emergence of a reserve currency which would be a truly collective instrument [2]. Nevertheless, in order to be able to carry out such a project, Russia needs a strongly expanding economy; which is far from being the case at present.

Find below the copy of the article [By Jacques Sapir and translated](#)

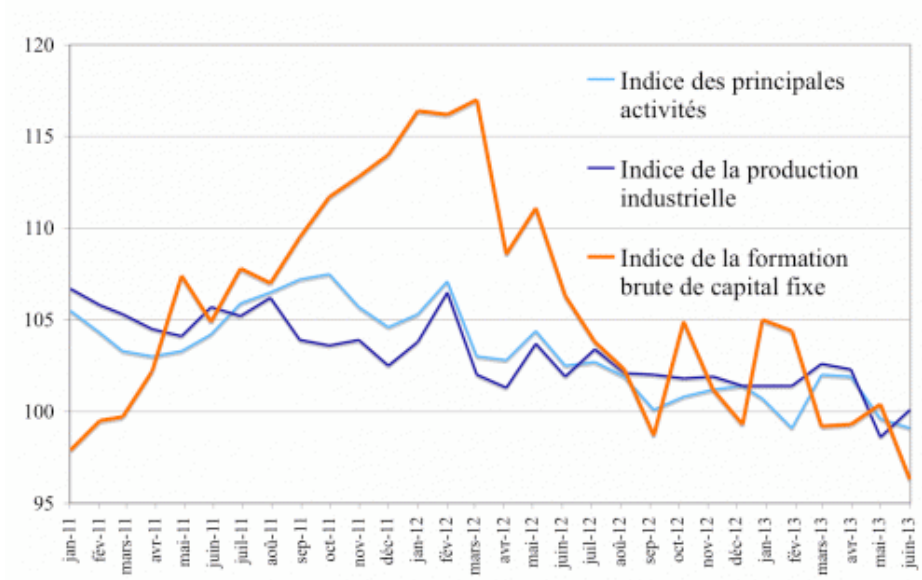
I. A worrisome slowdown in growth.

What strikes one first about Russia's macroeconomic results is indeed a slowdown in growth, which had already started to make itself felt at the end of the summer 2012. Granted, in comparison with the results of the Eurozone, and those of France in particular, that the results of Russia are acceptable and could even be considered good. They also remain satisfying when compared to the results of some so-called « emerging » countries, especially those of India. There has not occurred any massive speculation against the currency (the Ruble) such as took place in Brazil as well as in India. But from the standpoint of the evolution of the Russian economy, of the needs and problems to which it must face up, these results are preoccupying (chart 1). They show an economy, which is presently incapable of extracting itself out of an unfavorable international context, and of finding in itself the sources of strong growth.

Chart 1

Macroeconomic evolutions.

Figures indexed to the same month of the previous year (on a year-on-year basis)



Source : Central Bank of Russia

What is bothersome here is not so much the slight recession in GDP in the past few months. GDP is expected to grow by 1.5% to 2% in 2013, a result, again, which can be considered acceptable. But, in reality, this weak growth is insufficient for the Russian population to experience continuous improvement in its situation and the evolution concerning investments is far more serious and preoccupying. The dynamic of growth which we have known following 2008-2009 has stalled. The strong growth in investments of 2011 and of the beginning of 2012 after the crisis period of 2009-2010 appears indeed to be broken. But investment is the source of future growth. The accumulating problems in large public infrastructures, the renewal of which has been implemented very slowly over the past twenty years, has been the cause of many catastrophes during the past few years.

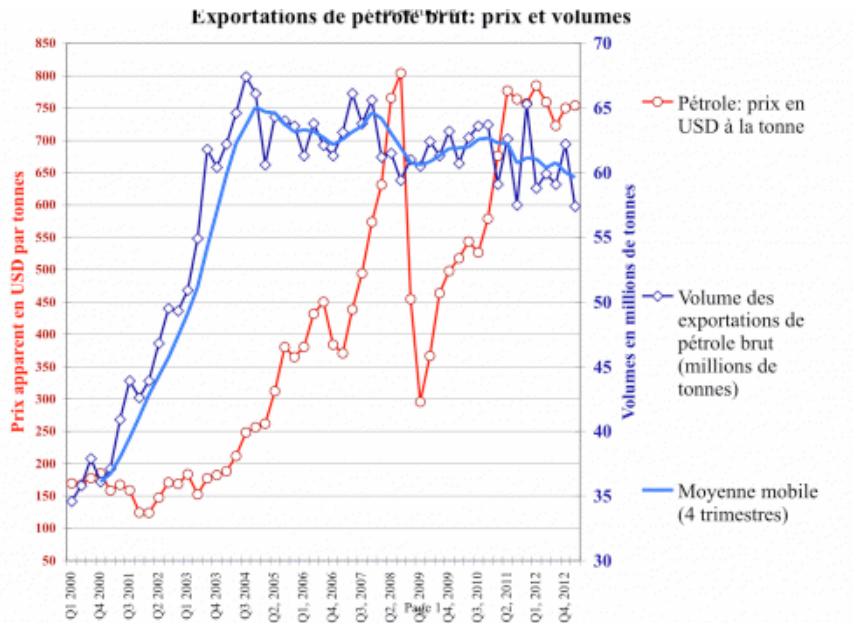
So that there is a real urgency in this regard, and from this point of view, the investment index since the beginning of 2013 is clearly not satisfying. Weak investment, regressing in comparison with previous years, will prevent the Russian economy from reaching the ambitious goals set to it by the government.

II. Why such a slowdown in growth ?

It is a fact that the Russian economy suffers from several problems which presently tend to combine. But these real problems tend to be obscured by much more imaginary ones. One must therefore evacuate the false problems which are regularly conjured up on the subject of growth. Flight of capitals is often mentioned as a “scourge” supposedly besetting the Russian economy. According to work done by Mme H el ene Cl ement-Pitiot, it has been vastly overestimated. It cannot therefore have played an important role [3].

Nor does Russia seem to be in this regard an exception among all the emerging countries, according to Alexander Ivlev [4], Director of Ernst & Young for Russia. We can also exclude, however surprising this might be, the question of fossil fuels (chart 2). Indeed, the recent evolution both of prices and of quantities sold, if it reflects the problems of the importing nations (essentially of Europe), has been rather stable in recent months.

Chart 2

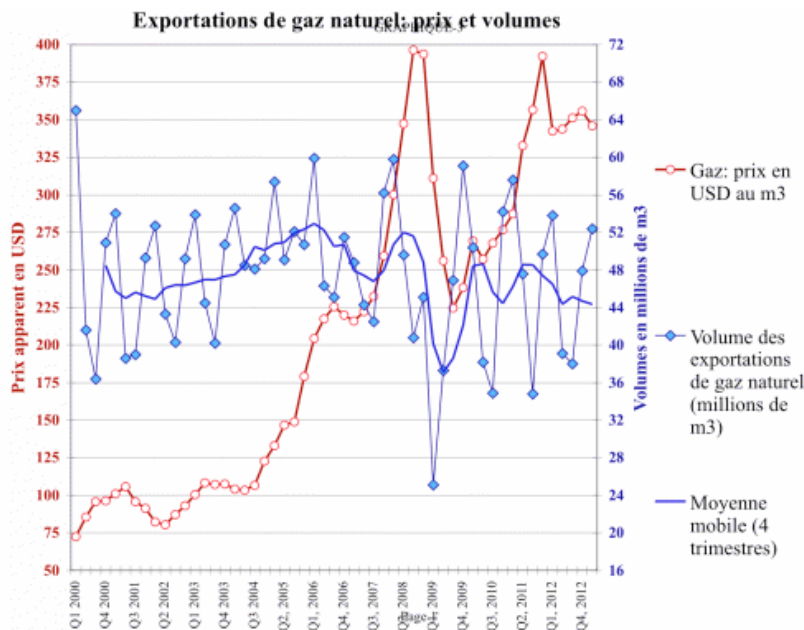


Source : Central Bank of Russia, fiscal statistics.

In fact, if oil exports have undergone a very strong increase since 2000, the apparent price of these exports has increased only since 2004. Volumes tend to decrease (but have remained stable during the 2008-2009 crisis), which corresponds, over a recent period, to the slowdown in activity in Europe. Prices, on the other hand, have been crisis sensitive, having gone from 800 dollars to 300 dollars at the beginning of the crisis, but have rapidly hiked up afterwards, stabilizing around 750 dollars per ton.

As for gas exports, they tend to a slow decrease, except during the crisis period, where we have witnessed a sharp fall lasting several months. Here too, the movements of prices are the most telling. After a strong increase in 2004, prices tended to stabilize (except during the 2008-2009 crisis). Prices are still remaining at a high level today (chart 3).

Chart 3



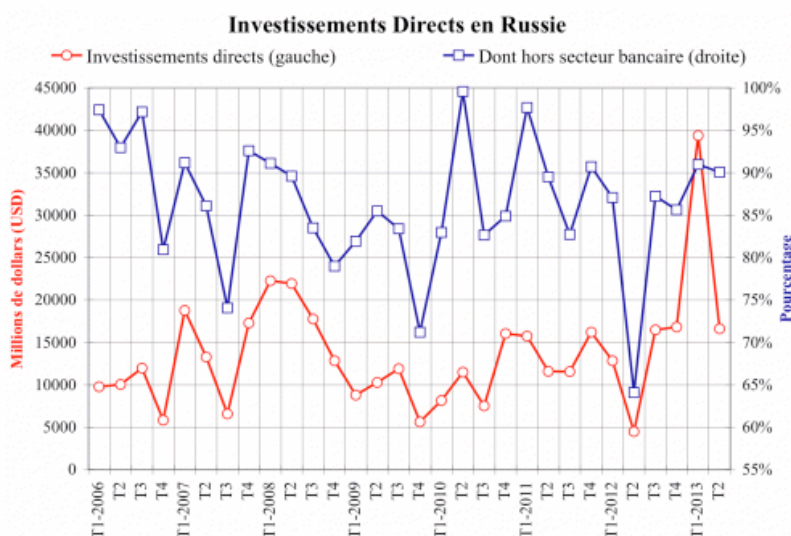
Source : Central Bank of Russia, fiscal data.

The small variations in volumes exported indicate that the impact on economic activity has been relatively weak. On the other hand, the impact has been more important financially, because of the strong variations in prices. But it has remained very limited and presently it clearly no longer has an impact. So that it cannot carry the blame for the slowdown in growth experienced in Russia since the end of last year.

It's not with fossil fuels, therefore, but more generally with the logic of a rent driven economy that the present difficulties of Russia originate. Let's remind ourselves here that fossil fuels are far more important for the budget than for GDP. They make up 10% of GDP but 50% of the budgetary income. [5]. They certainly are important for balancing the budget but couldn't explain directly the growth slow down. We must then arrive at some more serious reasons. The recession that we are experiencing in Europe has, for its part, had a non-negligible impact on economic activity, particularly for exporters of semi-finished products (steel, non-ferrous metals, basic chemical products). These exports, however less spectacular than those of fossil fuels, have a much greater impact on the economic activity, whether direct or indirect (by the way of chains of subcontractors). From this point of view, it is clear that Russia, whose first trading partner is Europe, is "importing" in part the recession or stagnation experienced on the European continent. Which is the reason behind the Russian government deploying much effort in order to reorient the internal trade of Russia towards Asia and to develop a free-trade zone with some of the countries of the former Soviet Union (Belarus and Kazakhstan). A diversification of trading partners is certainly judicious in principle, and cannot be linked only to short-term reasons. Evidently, the Asia Pacific zone will be one of the main poles of growth in the twenty years to come. But implementing such goals is bound to take time.

It is illusory to hope that one might find sources of short-term growth in such a diversification of customers, even if this diversification will entail important investments, financed for a large part by China. It is notable that direct investment flows (chart 4) have sensibly increased since the end of last year.

Chart 4

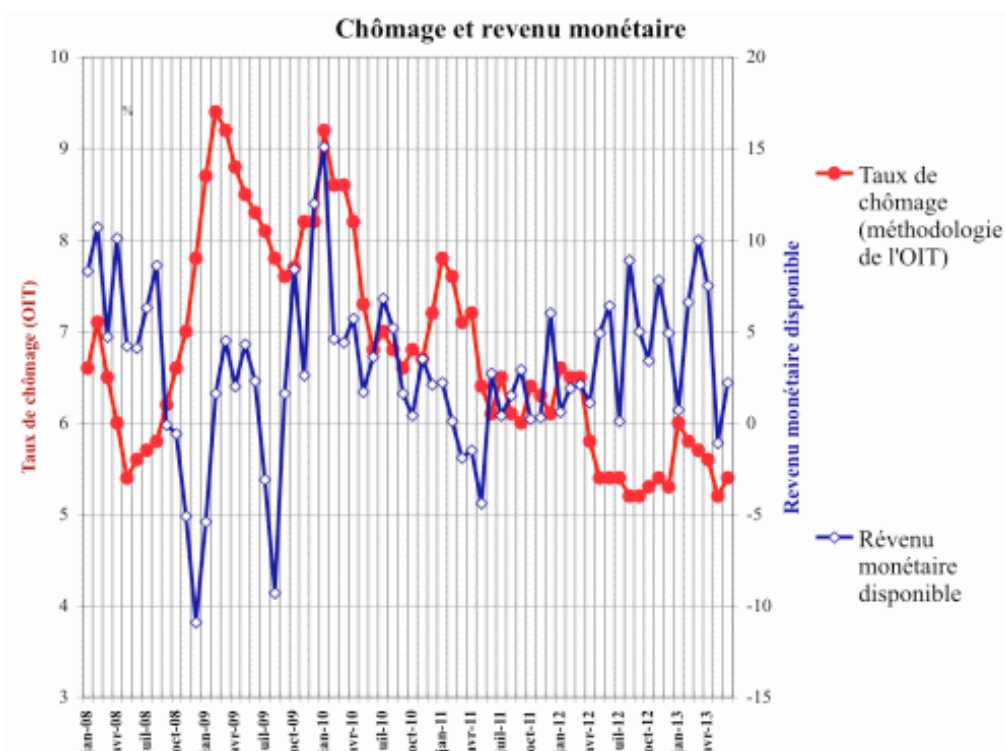


Source : Central Bank of Russia, http://www.cbr.ru/eng/statistics/print.aspx?file=credit_statistics/dir-inv_bop_e.htm&pid=svs&sid=itm_33421

On the other hand, even if Europe's share in the foreign trade of Russia is to decrease in the coming years, it will certainly remain important because the European Union is still one of the most important world markets. The solution therefore resides not so much in a reorientation of foreign trade flows (even if such is necessary) than in a decrease of Russia's dependence on foreign trade. This spells out the problem of a possible "de-globalization" of the Russian economy. The Russian economy has a particularly elevated "Balassa index" [6] for such a large sized country. This is an abnormal situation, which calls for a correction. In this instance, a re-centering upon internal demand is absolutely necessary, the more so as the needs of the population, in matters of individual as well as of collective consumption, are very far from saturated. But, here again, such a correction can only occur in the middle- to long term.

In this context, keeping up the rhythm of growth of the monetary income of households at a relatively high level is a good thing (chart5) and it has certainly contributed to avoiding the worst. It explains at any rate the low present level of unemployment.

Chart 5



Source : Central Bank of Russia.

The question remains of how long these unemployment figures, which would be greeted with elation in many western countries, will be able to maintain themselves at such a low level (5.4% in June 2013).

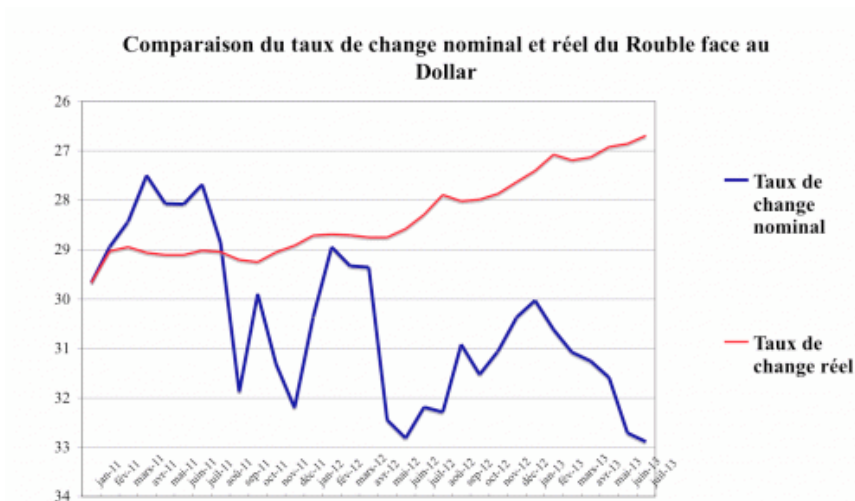
Quite obviously, if the impact of the European crisis (and of the Eurozone crisis) on Russian growth cannot be denied, it is not, by far, the only explanation. We must look at other factors likely to play an important role and first of all the questions of the competitiveness of the Russian economy, and of the exchange rate of the Ruble.

III. The exchange rate of the Ruble and its impact.

The second problem confronting Russian economy is international competitiveness. The latter depends on various factors, such as the exchange rate, the amplitude of productivity gains in sectors exposed to international competition, but also on the degree of innovation, as much concerning products as methods of production.

The Russian government is presently very intent on stabilizing the exchange rate. So that the Central Bank of Russia has spent over 11 billion dollars to prop up the rate of the Ruble. There is no question that it can afford it, considering the vastness of accumulated reserves. In fact, there is obviously no risk of a monetary destabilization of the country. The trade balance is massively in excess and the balance of payments is in equilibrium. Still, it is clear that the government has a very thin-skinned reaction on this question, no doubt as a consequence of the great financial crisis which beset the country in 1998. Which is why the government equates the stability of the exchange rate with political stability (chart 6).

Chart 6



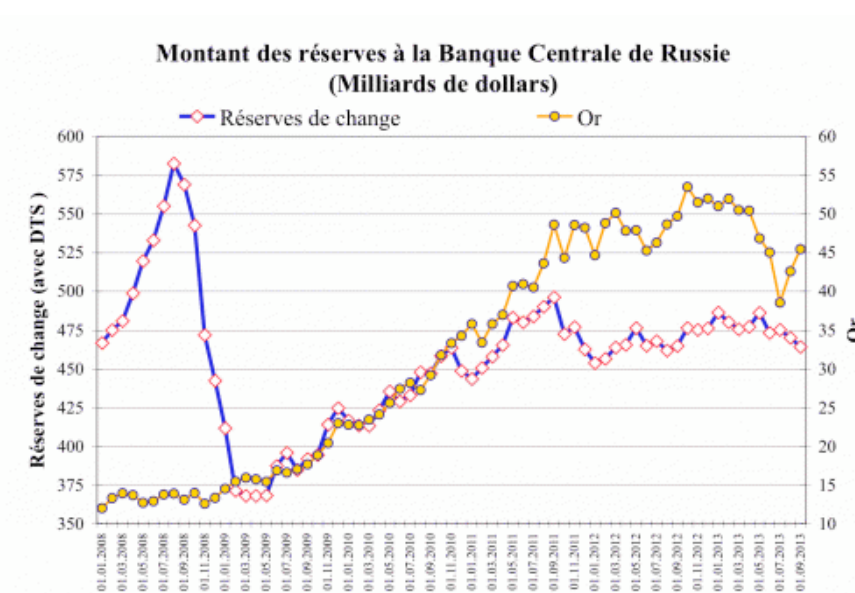
Source : data from the Central Bank of Russia for the nominal rate and the inflation rate of the Ruble, and price index in the United States according to the site : <http://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

But such a policy is not necessarily justified economically. Several countries, and not the least, have let their currency depreciate strongly during these past years: the United States, Great Britain and, lately, Japan. It is beyond any doubt that this has ameliorated their situation. In the case of Japan, the devaluation of the yen by more than 20% since the end of November 2012 has mightily contributed to restart the economy. From this point of view, the stabilization of the exchange rate of the Ruble constitutes a real problem, because it comes to counteract the efforts of the government to restart growth. One of the main subjects of worry stems precisely from the evolution of the real exchange rate, of which we know that it is the first indicator of the competitiveness of a country, as opposed to the nominal exchange rate.

Indeed, if the nominal exchange rate of the Ruble has depreciated by 11% since January 2011, the real exchange rate (that is, corrected by the Russian inflation rate and by the American inflation rate) has appreciated by 10%. This situation seems to be related to movements of the Russian reserves.

With reserves oscillating between 450 and 475 billion dollars, Russia has reserves at its disposal which are equal to more than 15 months of imports. One may even consider that in the given situation these reserves are excessive. An amount equal to 6 to 8 months of imports is generally considered sufficient. One might well think that they could be better employed in internal investments.

Chart 7

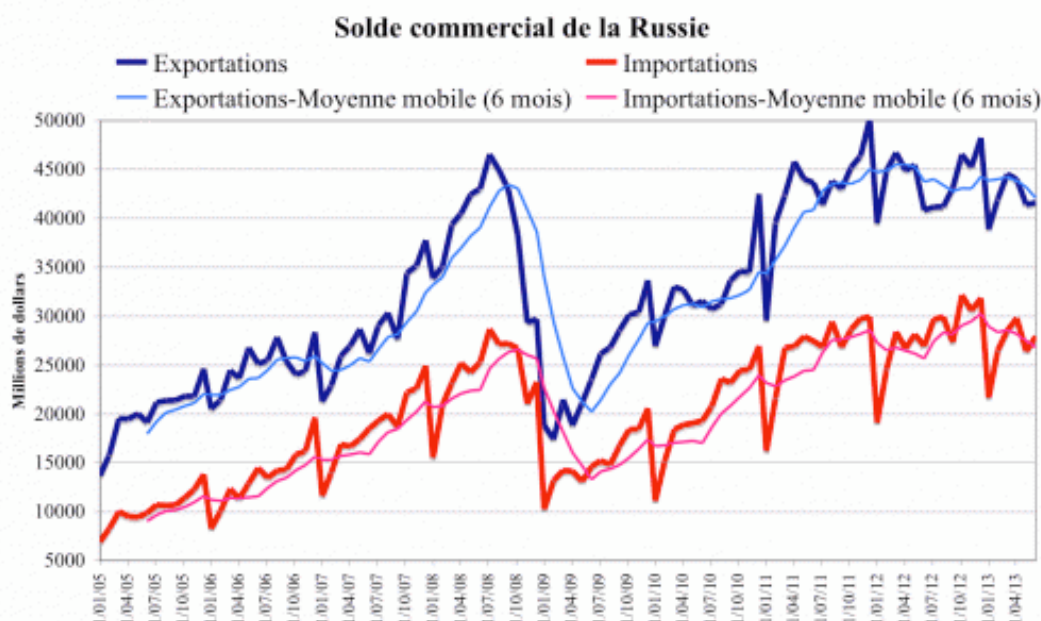


Sources : Central Bank of Russia.

These reserves underwent a drastic decrease following the 2008-2009 crisis; but they were reconstituted just as fast. An important feature in the process has been the progressive increase in the share of gold. Traditionally, the metal plays only a minor role in the make-up of the reserves of central banks since the end of the 1970s. However, one may follow on chart 7 its spectacular rise in recent years. This is most probably due to a rise in operations with the great central banks of Asia, which are big hoarders of gold. But one may also read in it the expression of an increasing distrust of Russia as much towards the Dollar as towards the Euro.

In reality, Russia is keeping up a surplus trade balance (chart 8). This puts a limit to the potential downward fluctuations of its currency.

Chart 8



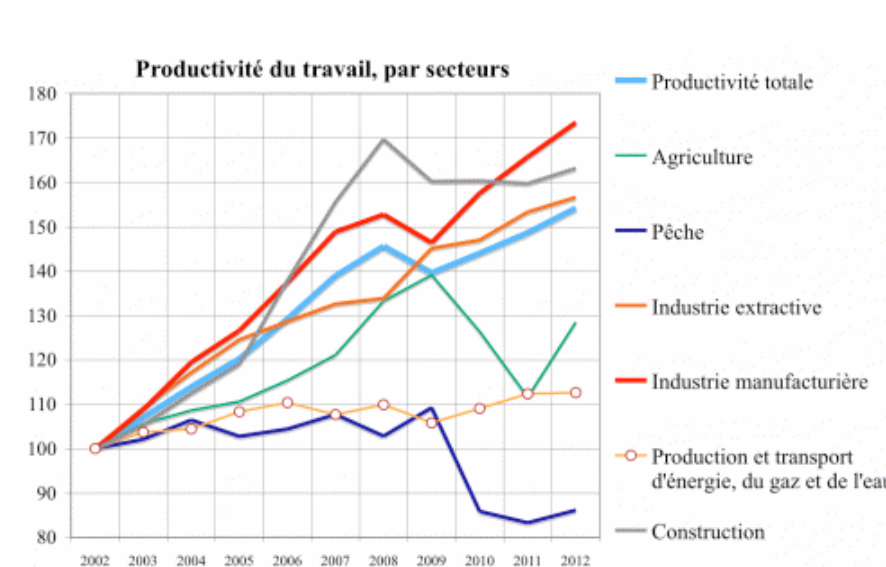
Source : Central Bank of Russia

If there has indeed been a reevaluation in real terms of the Ruble in relation to the Dollar over the past two and a half years, a reevaluation which is due to the trade surpluses generated by the exports of fossil fuels, this phenomenon has been compensated in part by an important hike in productivity in Russia. This considerable increase in work productivity has allowed the Russian economy to maintain its international competitiveness. The surge is manifest in the extractive industries as well as in manufacturing, but also in construction.

This increase seems indeed to be one of the main features of the development model of the Russian economy since the beginning of the 2000s. It belies the common place view of its economy as being essentially stagnant and dependent on fossil fuels. The rhythms in productivity gains have been particularly important during the past ten years in industry, particularly in manufacturing, where the goods subjected to international competition are concentrated (chart 9). In relation to the United States, the relative gains (Russian productivity gains minus productivity gains in the American industry) are undeniable. But one must also take into consideration the countries said of the "dollar zone" and those whose currency is linked to the dollar, such as China, which maintains a relatively stable exchange rate in relation to the dollar.

In the latter case however, the productivity gains of these countries (of China in particular) are far more important (even considering that they are starting from a considerably lower level). The real exchange rate and productivity gains must therefore be carefully studied country by country. It is probable that Russia has thus lost in competitiveness in relation to other emerging countries much more than it has done in relation to the developed countries, such as the United States and the European Union.

Chart 9



Source : Federal Service of State Statistics, Productivity of labor. http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/accounts/#

The question of competitiveness throws us back to the question of productive investments (as against portfolio investments). Without investments, public or private, the competitiveness of Russia can only degrade and its economy deteriorate. But the question then is to know how these investments can be financed and above all how to increase their efficiency. The question of the financing of investments has been the object of important debate in Russia. The considerable increase in direct investments, and their concentration outside the banking system (in industry and agriculture) is certainly a positive factor for the Russian economy. The question of the efficiency of these investments would warrant discussions no less important.

Clearly, at present, the investment process, especially such as it is carried out by the state, is of low efficiency, be it for economic reasons (a lack of savoir-faire in the prevision of investments) or for reasons linked to corruption. The latter problem has been given much publicity in the framework of the great public investment realized in preparation for the Winter Olympic Games in Sochi. Whence a discourse which has been heard for years: the process needs to be ameliorated before investing, or else large sums will be misappropriated or misused. Such a concern is understandable. But on the other hand, it is just as evident that one cannot wait doing nothing for a hypothetical amelioration in the investment process. The fact that sums allocated by the State will be in part misappropriated and in part used badly must not be invoked as an excuse for inaction. We must also point out that, beyond the problem of corruption, the question of the relative inefficiency of investments comes up in many economies, and that this has never prevented investment. For instance, the investment process in China is very far from perfect, but Chinese investments are nevertheless very considerable, and constitute undeniably one of the motors of growth.

A first way of ameliorating the efficiency of investments would certainly be to coordinate the great private investments (those made by big companies, be they Russian or foreign) with public investments. For this to happen, there would need to exist a locus where the interests of the private sector and those of the public sector can be confronted and articulated. It would be necessary therefore that a general strategy of investments, sectorial as well as territorial, be established which would be institutionally represented at the government level.

IV. The question of credit.

A problem which calls up another one, the one of monetary policy, and therefore of credit policy in Russia. The policy carried on by the Central Bank of Russia has been up to now characterized by considerable, even excessive, prudence. The priority objective has been the control of inflation. But, taking into account the problems encountered by the Russian economy, the existence of a relatively high inflation was inevitable (chart 10). Factors of a structural inflation continue to weigh upon Russian inflation.

Chart 10



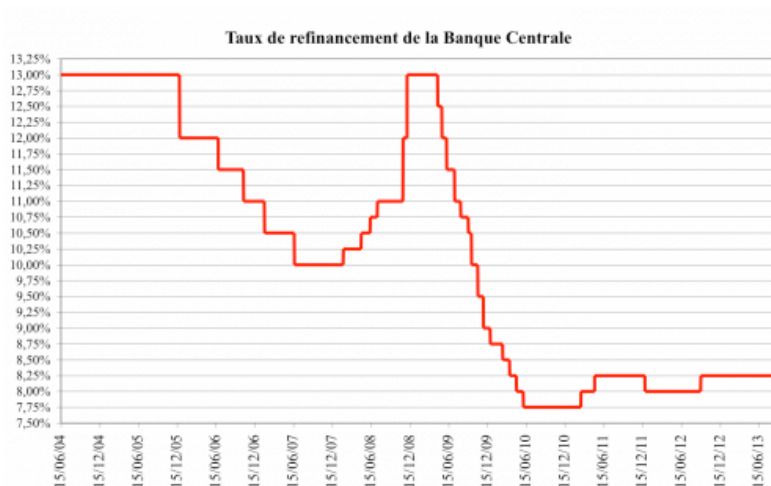
Sources : Central Bank of Russia.

Insofar as enterprises are dependent on their profits for their investments (and this is particularly true of small and middle-sized enterprises) the temptation to play on prices in order to finance ulterior development will remain very high.

During the crisis of end 2008-beginning 2009, the Central Bank overreacted to the risk of flight of capital. It increased its key interest rates at the very moment that the Central Banks of all the developing countries were lowering theirs. This had had disastrous consequences at the time for the Russian economy without any proof of an effect onto the movements of capital. Indeed, the experience has shown that in a case of panic, when the conduct of agents becomes « irrational, » one would need to increase the interest rates inordinately for these to have any effect on capital movements. In this case, controls on capital essentially targeting very short term fluxes appear to be much more efficient, as was recognized by the IMF in 2010.

Since that episode, the rates of the Central Bank have decreased, but they remain quite high still. This is particularly true when one compares them with inflation and when one is thinking in terms of real interest rates. These rates act as an important brake on the investment process. The refinancing rate of the Central Bank, which serves as a key rate for the various financial institutions in Russia, has come back to 8.25% whereas the inflation rate was around 6.60% (chart 11). This implies that the real rate is of 1.75%.

Chart 11

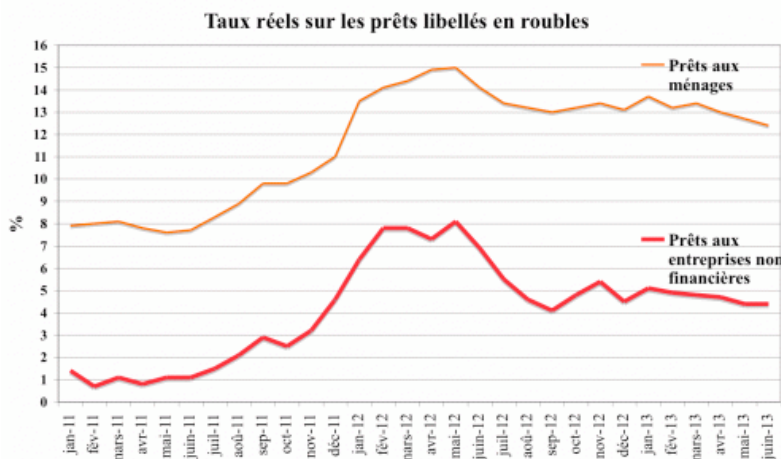


Sources : Central Bank of Russia.

However, in the United States, in Japan or even in the Eurozone, the rate of intervention of the Central Banks is inferior to the inflation rate, and in these instances the real rate turns out to be negative. In Russia, in the contrary, the real rate is positive. Between Russia and its main economic partners, the gap in the real rate therefore amounts to around 2%, which is considerable. This aberration of Russian monetary policy seems fated to endure, despite the nomination in June 2013 of Mrs Elvira Nabiulina to the post of President of the Central Bank. The consequence for Russia is that Russian banks contract massive debts on foreign financial markets because the cost of financial resources in Russia is too high. This of course has immediate consequences for households as well as for private enterprises, first of all for small and medium-sized enterprises. One must add that the still imperfect banking system of Russia tends to limit the margins of action of the Central Bank. If banks react to an increase in real interest rates, it is not so sure that they would react as rapidly to a decrease of these same rates. It remains that the responsibility of the Central Bank is directly engaged in the peak in real rates which we have witnessed beginning in 2012.

Credits granted under these conditions are at real rates (nominal rate *minus* inflation) which remain extremely high. Not only does this put a brake on consumption (and therefore on production) but it forces small and medium-sized enterprises to resort, more than they might otherwise wish to do, either to auto-financing or to complicated and costly lending systems involving other enterprises. One considers generally that 2% is the maximum in real rate for investment for an enterprise. We are far from this, alas, in Russia and it is an obstacle to the process of diversification of the economy and to the constitution of a balanced network of small and medium-sized enterprises (chart 12). The level of interest rates compels enterprises to finance themselves entirely by resorting to their profits, which on the one hand produces inflationist tendencies and on the other hand brings up again the question of the real exchange rate of the Ruble.

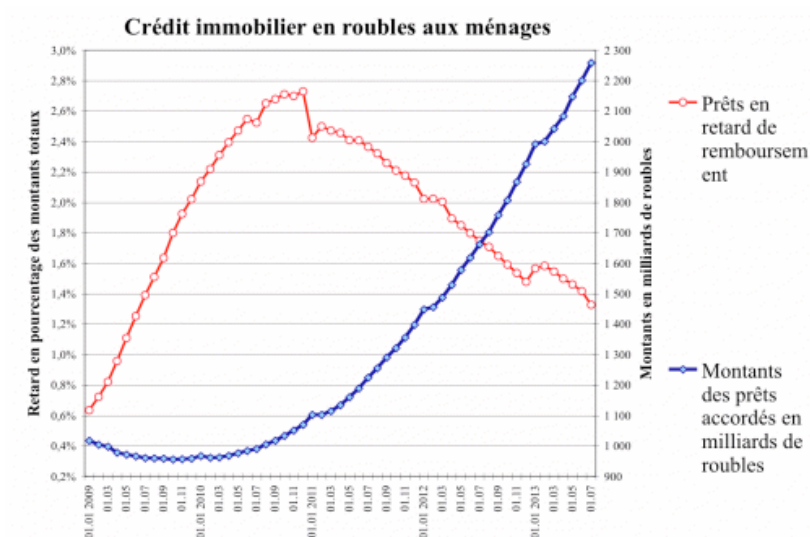
Chart 12



Source : Central Bank of Russia.

One can consider that the monetary policy carried on by the Central Bank has also largely contributed to the harsh slowdown in growth which has occurred since the end of 2012. As a matter of fact, real rates show a brutal push at the beginning of 2012, culminating at the end of spring of this year. That is, at the very time when growth and investment have started to contract strongly. It is more than probable that part of the loans concerning consumption will not (and cannot) be paid off with « nominal » rates hovering presently around 20%. This will create an important problem for banks and one may well ask if the pressure exerted on the banking system by the Central Bank, with an eye on consolidation in the sector, is not largely linked to the latter problem. In the same way the movement of mortgages, still a nook market, but one the psychological importance of which cannot be neglected, while evidencing a visible amelioration in these past months (chart 13) is nevertheless penalized by the increase in real rates.

Chart 13



Source : Central Bank of Russia.

The monetary policy waged by the Central Bank is indeed a constitutive factor which has contributed to the slowdown of growth during these past months. This policy is an obstacle to the development of Russia and it prevents, or at the very least puts constraints on the diversification of the economy because it limits the resources available for investment (constraint on offer) and also limits the expansion of the market (constraint on demand). So long as this all too restrictive monetary policy is maintained, the Russian economy will not be able to develop, either on the quantitative level (growth) or on the qualitative level (diversification of the economy).

V. Budgetary policy.

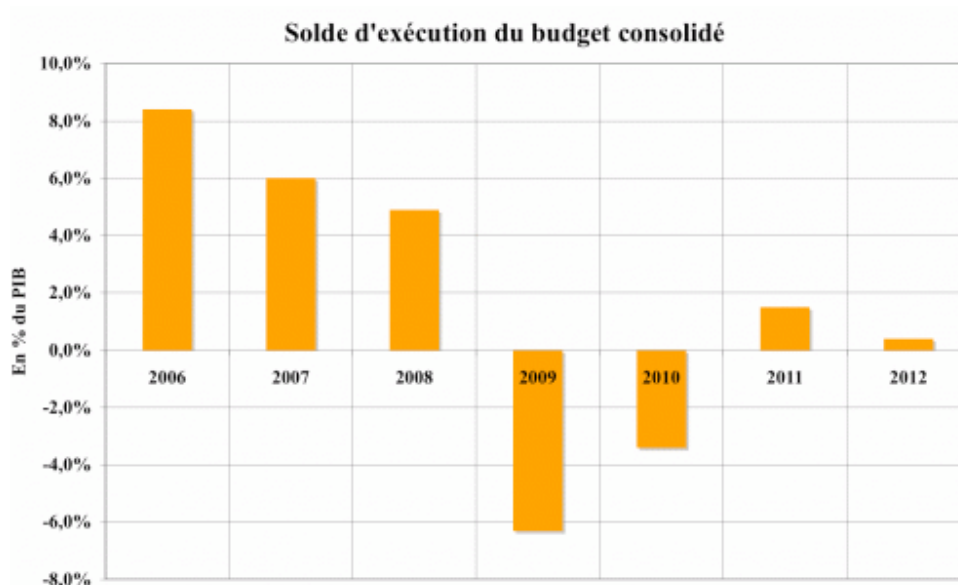
Faced with this situation, characterized by a dismal international context as well as by a very constraining monetary and financial framework, budgetary policy has, until now, borne the brunt of damage control. In fact, functional expenses, social expenses and the salaries of state employees have been on the rise since the end of 2012. We must point out here the effects of the electoral cycle which Russia has gone through in 2011 and 2012. In the same way, public investment expenses have largely contributed in keeping up activity, and this whatever judgment one may otherwise harbor concerning the efficiency of investments. The varied prestige operations which have been initiated by the Russian government, Winter Olympic Games, European Soccer Cup, have doubtlessly had a positive effect on infrastructures. Expenses for modernizing have been considerable in recent years. These expenses go a long way to explain the residual growth of the economy. Still, since the beginning of the year, we notice a progressive tightening of these expenses. For the first seven months of 2013, the expenses of the federal budget have amounted to 17.8% of GDP, when they had reached 20.3% for the same period of 2012. The forecasts for 2013 indicate a lesser, but still sizeable reduction, with expenses at 19.8% of GDP against 20.6% in 2012.

Within such a framework, the budgetary orientations for 2014 may seem at the very least contradictory.

On the one hand, the government continues its policy of increasing the salaries of state employees. The salaries of teachers have been sensibly increased, and Vladimir Putin, at a « Valdai Club » session which took place in September 2013 has indicated that this was a strategic priority for Russia. In the same way, defense spending will undergo a sensible increase for the Russian armed forces are engaged in a cycle of modernization of their materiel, a cycle which is justified, and even amplified by an international situation which tends to be degrading. These expenses will have a strong pull-along effect on sectors of high-added value and will way contribute to growth.

But, on the other hand, the government announces a balanced budget and a contraction of other functioning expenses, particularly those concerning healthcare. All is happening as if the government, after the heavy deficits registered in 2009 and 2010, wished to find back to the imposing surpluses of before the crisis.

Chart 14



Source : State Comity of Statistics of the Russian Federation. http://www.gks.ru/free_doc/new_site/finans/fin29g.htm

The 2014 budget should show a 4% increase, higher than the 2% increase foreseen for this year, but remains inferior to the nominal increase foreseen for the GDP. It is true that the budgetary forecasts for 2015 and 2016 are more expansive, but they are based on a hypothetical return to strong growth.

However, with growth at half-mast, and monetary policy putting a constraint upon that same growth, it doesn't seem very logical, nay, even contradictory to adopt a recessive budgetary policy. It is understandable that the Russian government doesn't want to get itself too much into debt, in order to keep its elbows free in international politics. This is a laudable purpose, but one which is not really a hot topic in the case of a public debt inferior to 10% of GDP. Another explanation advanced by authorities to justify this budgetary policy is the necessity to build up "reserves" in case of a new international financial crisis. This too is a legitimate concern, but one the finality of which might be called into question in view of the weak growth of the Russian economy on the one side, and the size of the reserves of the Central Bank on the other.

The budgetary policy seems to respond to considerations which have little to do with the economic context. But these considerations risk to be put into question by the potential political consequences of weak growth.

VI. A change in policy is vital.

It is presently clear that a new economic policy will become a necessity for Russia as much as regards its internal political balances as its will to take on the international position which its diplomacy has contributed to acquire.

The international factors which are dragging down economic growth, and the European situation in particular, are bound to last many more months. The foreseeable slowdown in American growth in the First quarter of 2014 should exert a negative effect on European growth, which will have repercussions in Russia.

However, Russia cannot presently afford too long a period of stagnation. Granted that the Direct Foreign Investments have undergone a considerable increase [7], this will not be sufficient to bring back economic growth to its former luster even if it constitutes a good indicator of economic attractiveness.

Russia must therefore find in itself the sources of a strong growth. In order to achieve this, it must stop making a fetish of the stability of its exchange rate and carry out a more accommodating monetary policy, but also it must understand that investment is one of the conditions of competitiveness and of growth. A refereeing must occur between monetary policy and budgetary policy, for implementing recessive policies on both accounts can only have nefarious economic consequences. At present it is indeed the monetary policy which offers the greater possibilities of adjustment.

It remains to be seen what the policy of the Central Bank will turn out to be during the coming winter. Still, a relaxing of monetary policy will not suffice. It will also be mandatory to bring the institutional structures of the economy in coherence with the goal of strong growth.

The second point which will impose a change in policy is the international monetary situation. If Russia wants to make definitive advances towards a new international currency, together with the others BRICS countries, it must admit that debt will have to be emitted in this new monetary instrument. International indebtedness, provided of course that it remains moderate, is one of the absolutely necessary conditions for masses of liquidities to build up which will allow the new instrument to be used as much by states as by private agents. From this point of view also, important changes are in the offing for economic policy if it wants to rise to the level of its new responsibilities.

[1] Ripert, M-P., « Yellen, la FED et le Shutdown », in *Eco Hebdo*, Natixis, n°36, 11 octobre 2013, p.2. URL : <http://cib.natixis.com/flushdoc.aspx?id=73190>

[2] See: Sapir J., « La Fin du duopole », note publiée sur le Blog *Russeurope*, le 6 octobre 2013, <http://russeurope.hypotheses.org/1585>

[3] Clément-Pitiot H., « La Fuite des capitaux : au-delà des conventions comptables », note publiée sur *RussEurope*, le 17 septembre 2013, <http://russeurope.hypotheses.org/1534>

[4] Alexander Ivlev, « *To be honest, Russia is not as bad as many people think – it's doing quite well, actually. In fact, taking into account such indicators as capital outflow and FDI Russia appears to be in standard shape of an export-oriented country* » <http://www.forbes.com/sites/markadomanis/2013/01/03/a-further-clarification-on-russian-capital-flight-from-alexander-ivlev-managing-partner-for-ernst-and-young-russia/>

[5] Orlova N., *Macro Insights*, Alfa-Bank, October 1st, 2013.

[6] Remember that this index is calculated as : (Imports+Exports)/PIB

[7] Central Bank of Russia, on the internet site URL : http://www.cbr.ru/eng/statistics/print.aspx?file=credit_statistics/dir-inv_bop_e.htm&pid=svs&sid=itm_33421