

## **An estimation of the impact of the oil prices decrease and the sanctions on structure and dynamic of the Russian economy in 2014-2015**

Topic: Industry Structure in Time

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The study is concerned with empirical issues of the impact of the oil prices decrease and the sanctions on structure and dynamics of the Russian economy. An estimation of macroeconomic policy implications for the Russian economy in 2014-2015 is also under consideration in the paper. Sharp decline of oil prices in the second half of 2014 have strengthened negative effect of the sanction imposed by the most of OECD countries against Russia after the Ukrainian conflict escalation. As a result the Russian economy suffered from the lack of access to world financial markets has faced with the deep decrease of export revenue as well as state budget income. In fact the Russian economy faced with gradual slowdown in 2012-2014 and it had formed strong expectations of the negative or close to zero growth rates of the Russian real GDP in the nearest 1-2 years. But significant devaluation of the ruble caused by abovementioned shocks gives the Russian economy a gain in competitiveness and new sources for the economic growth which were not available before. All these raise a question what are the real impact of the sanctions and the impact of oil price decrease on structure and dynamic of the Russian economy? Based on the macroeconometric GE-IO model of the Russian economy we try to estimate short term influence of abovementioned shocks on the economy of Russia. According to the results of calculations the Russian GDP will has a negative growth rate from -4.2% to -1.5% in 2015 (the estimations are preliminary and would be refined up to the Conference). The worst growth rates expect to be shown by the follows: Construction, Construction materials, Real Estate and Consulting, Finance and Insurance, Trade, Machinery. The main gainers with positive growth rates are Chemistry, Ferrous metallurgy, Extraction, Agriculture, Metal products, Energy. Obtained estimates allow us to conclude that the Russian Central Bank's refusal of support a national currency seems to be a right decision in the current conditions.

\* The study is supported by the Russian Fund of Humanities in the framework of the scientific project "Influence of Macroeconomic Policy with Monetary and Currency Restrictions on Dynamics and Structure of a Raw-Export Oriented National Economy with Imperfect Markets", a project #8470;14-02-00359.