

kets decreased and demand for domestic products¹ increased, but only 3% of STCs noted the positive effect of sanctions.

To create favorable conditions for the development of STCs within the framework of the government policy of supporting entrepreneurship, it is important to focus on expanding access to sales markets, creating complete value chains, expanding access to capital, as well as advising on the commercialization of innovations, while maintaining existing incentive mechanisms, including grant programs from the Innovation Assistance Fund, industrial mortgages, measures facilitating acceleration of IT companies and faster patent registration.

An important area of support for STCs should be the promotion of these companies' export products through expansion of measures of the Russian export center and its regional divisions, as well as organizations offering similar services. In addition to certification and accreditation, information and consulting support is needed in terms of foreign legislation and market analysis, logistical support for foreign trade relations, organizational support for establishing interaction and contacts with foreign suppliers, consumers and partners.

To promote the ties between science and business, it is important to expand the range of measures to support university entrepreneurship, including specialized forums and platforms, mentoring programs and university business incubators in order to successfully commercialize innovations.

3.6. Foreign trade²

3.6.1. The state of world economy and world trade

The last four years have been a major test for the global economy. Pandemic, geopolitical conflicts and extreme weather disrupted supply chains and triggered energy and food crises. However, in 2024, the global economy demonstrated stability, inflation was declining, and international trade was gradually recovering.

The International Monetary Fund's January 2025 estimate³ of global economic growth for 2024 stands at 3.2%, almost identical to the estimates presented in previous editions of the World Economic Outlook for 2024. The world economy is expected to grow at 3.3% in 2025 and 2026, below the historical average (2000–1919) of 3.7%.

Persistent structural impediments, such as aging populations and low productivity growth, are holding back potential growth in many economies. Experts note

1. Zemtsov S. P., Barinova V. A., Mikhailov A. A. Sanctions, exit of foreign companies and business activity in the regions of Russia// *Economic Policy*. 2023. Vol. 18, No. 2. pp. 44–79.

2. Author: Volovik N. P., Senior Researcher, Center for Real Sector, Gaidar Institute.

3. The IMF official website. World Economic Outlook// Global Growth: Divergent and Uncertain. URL: <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-January-2025>

that inflation is gradually declining, which could prompt central banks around the world to ease monetary policy. However, the IMF also points to several potential risks. Among them are the possibility of a sharp rise in commodity prices, persistent geopolitical tensions and inconsistent action by financial and fiscal authorities.

While global forecasts are broadly unchanged from October's World Economic Outlook, divergence in assessments is widening. Among developed economies, the US is performing better than previously expected. The US economy grew by 2.8% in 2024, 0.3 p.p. more than forecast in October. This is due to increased consumption and growth in non-residential real estate investment. The underlying demand remains robust, reflecting the significant impact of rising wealth, less tight monetary policy and favorable financial conditions.

In 2025, according to forecasts, the growth of the US economy is expected to slow down to 2.7% driven by a gradual tightening of fiscal policy and a cooling in the labor market, which slows down consumption. In addition, there are certain risks that may negatively affect the dynamics of the economy. These risks include geopolitical tensions, potential policy changes related to trade and immigration, and high levels of public debt.

Economic growth in the eurozone has been revised downward. There, economic growth in 2023 fell to its lowest level of 0.2%. GDP growth in 2024 is estimated at 0.8% (1.2% growth was expected in October). Weaker-than-expected growth in late 2024, especially in manufacturing, and increased political uncertainty explain the downward revision of economic growth by 0.2 p.p. to 1.0% in 2025. It is expected to rise to 1.4% in 2026, boosted by stronger domestic demand. Real wage growth is projected to boost consumption, while gradual monetary easing will support investment. However, in countries such as Germany and Italy, economic growth is constrained by continued weakness in manufacturing. Meanwhile, domestic demand in Italy is expected to improve thanks to the European Union-funded National Recovery and Resilience Plan, which provides Italy with around €200 bn in grants and low-interest loans while the country undertakes a series of reforms to strengthen the economy. Germany, on the other hand, is struggling due to fiscal consolidation and plummeting real estate prices.

In emerging and developing economies, stable growth is expected over the next two years. It was around 4.2% in 2024, is expected to grow at the same level in 2025, and will accelerate to 4.3% in 2026. Compared to the October forecast, China's economic growth in 2025 has been adjusted upward by 0.1 p.p. to 4.6%. This is due to the announcement of a new tax package in November, which will largely offset the negative impact on investment of increased uncertainty in trade policy and a slowdown in the real estate market. Economic growth is expected to remain stable at 4.5% in 2026. This is because the effects of trade policy uncertainty will begin to fade and the increase in the retirement age will slow the decline in labor supply. India's economy is expected to grow at a steady 6.5% in 2025 and 2026, as forecasted in October. This level of growth is in line with the country's potential. In the Middle East

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and Central Asia, growth was projected to accelerate at year-end but was less than expected in October. This was due to a downward revision of 1.3 p. p. to Saudi Arabia's 2025 growth forecast, mainly due to the extension of the OPEC+ deal to cut oil production. Economic growth is expected to accelerate in Latin America and the Caribbean. In 2023 growth came to 2.4%, remained at the same level in 2024, is expected to grow by 2.5% in 2025 and 2.7% in 2026, despite the anticipated slowdown in the region's largest economies. In Brazil, growth is estimated at 3.7% in 2024. Given the still tight monetary policy and the expected cooling in the labor market, economic growth is expected to slow to 2.2% in 2025—2026. In Mexico, economic growth is estimated at 1.8% in 2024, slowing to 1.4% in 2025. This is due to the weakening of domestic demand due to the tightening of monetary policy.

The IMF has upgraded its forecasts for Russian economic growth in 2025 to 1.4% and kept its estimate for 2026 at 1.2%. This is due to the fact that private consumption and investment are declining while labor market tensions are decreasing and wage growth is slowing down (*Table 16*).

Table 16

Dynamics of the global GDP and world trade (growth rates, in % on the previous year)

	2016	2017	2018	2019	2020	2021	2022	2023	Estimate	Forecast	
									2024	2025	2026
World GDP	3.3	3.8	3.6	2.8	-3.1	6.0	3.5	3.4	3.2	3.3	3.3
Advanced economies	1.7	2.5	2.3	1.7	-4.5	5.2	2.6	1.7	1.7	1.9	1.8
USA	1.6	2.4	2.9	2.2	-3.4	5.7	2.1	3.2	2.8	2.7	2.1
Euro zone	1.9	2.5	1.9	1.3	-6.4	5.2	3.3	0.2	0.8	1.0	1.4
Germany	2.2	2.5	1.5	0.6	-4.6	2.6	1.8	-0.2	-0.2	0.3	1.1
France	1.1	2.3	1.7	1.5	-8.0	6.8	2.5	1.3	1.1	0.8	1.1
Emerging and developing economies	4.3	4.7	4.5	3.7	-2.0	3.7	3.9	4.7	4.2	4.2	4.3
Russia	-0.2	1.5	2.3	1.3	-2.7	4.7	-2.1	4.8	3.8	1.4	1.2
Developing countries in Asia	6.4	6.5	6.4	5.5	-0.9	7.2	4.1	5.9	5.2	5.1	5.1
China	6.7	6.9	6.6	6.1	2.3	8.1	3.0	5.4	4.8	4.6	4.5
India	7.1	6.7	6.8	4.2	-7.3	8.7	7.2	7.8	6.5	6.5	6.5
Latin America and the Caribbean	-0.9	1.3	1.0	0.0	-6.9	6.9	4.2	2.2	2.4	2.5	2.7
Brazil	-3.6	1.4	1.1	1.1	-3.9	3.0	3.0	2.9	3.7	2.2	2.2
Mexico	2.3	2.2	2.0	-0.3	-8.1	4.8	3.9	3.2	1.8	1.4	2.0
World trade in goods and services	2.2	5.2	3.9	0.9	-8.2	10.4	5.2	0.8	3.4	3.2	3.3

Source: The IMF official website. URL: <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-January-2025>

According to IMF experts, in 2022, the value of global trade set a record of \$31.55 trillion. In 2023, international trade in goods and services in real terms grew by only 0.8%. The main reason for the low performance was a 1.2% decline in trade in goods, which was driven by geopolitical tensions, low global demand, changes in inventories and the high base effect of 2022. In Q4 2023, the volume of global trade in goods began to grow, with growth picking up in the first quarter of 2024. Compared to the previous quarter, trade in goods increased by 1.0% in Q1 2024 and by 1.4% year-on-year. Supplies to international markets were increased by companies in the chemical, pharmaceutical, textile and metallurgical industries. A drop was noted only in the supply of transportation and communication equipment. In the second and third quarters of the last year, growth averaged 0.7%, which is equivalent to 2.7% year-on-year.

World trade forecasts for 2025 and 2026 have been slightly adjusted downward. According to IMF estimates, world trade grew by 3.4% in 2024, while growth is expected to slow to 3.2% in 2025. This is because it is still difficult to predict how the trade policy will evolve. In the baseline scenario, the impact of uncertainty is assumed to be temporary. In addition, due to the expectation of tighter trade restrictions in the near future, some trade flows may increase, which will help to compensate for losses.

The World Trade Organization (WTO) statistics also show a gradual recovery in merchandise trade, despite intensifying regional conflicts and rising political uncertainty. At the regional level, trade was weaker than expected in Europe and higher than expected exports in Asia. According to the October WTO forecast,¹ world merchandise trade will increase by 2.7% in 2024, slightly above the previous estimate of 2.6%. However, the forecast for 2025 was revised downward from 3.3% to 3%. Trade growth is likely to be accompanied by real world GDP growth of 2.7%.

According to the latest 2024 WTO Goods Trade Barometer,² world trade in goods has been recovering over the year after a downturn in 2023 driven by high inflation and rising interest rates. The Goods Trade Barometer is a comprehensive leading indicator of world trade, which provides an early assessment of the dynamics of trade in goods, ahead of official statistics on the volume of trade. The value of the indicator was 102.7, which exceeds the base value of the index equal to 100. This indicates that trade continued to expand at a moderate pace during the fourth quarter. All components of the Barometer were in line with or above trend, except for the electronic components trade index (95.4), which stabilized below trend. The Export Orders and Commodities indices were in trend (100.5), while the Air Transportation (102.9), Motor Vehicle Sales and Production (104.0), and Containerized Transportation (105.8) indices were well above trend. The container transportation index showed the most significant growth in the last three months of 2024, while the air transportation index

1. The WTO official website. Global trade outlook and statistics — update: October 2024 // URL: https://www.wto.org/english/res_e/booksp_e/stat_10oct24_e.pdf

2. The WTO official website. URL: https://www.wto.org/english/news_e/news24_e/wtoi_09dec24_e.pdf

lost momentum. The export orders index, which is usually the most accurate measure of economic growth, remains close to the baseline value of 100, indicating sustained trade growth in the near term. However, the outlook is clouded by growing economic uncertainty, including possible changes in trade policy.

3.6.2. Terms of Russian foreign trade: price trend for the main goods of Russian exports and imports

In 2024, commodity prices are shaped by a wide range of events, including changing supply management expectations, increased risks associated with military conflict, trade restrictions, and weather-related supply shocks.

In 2024, the World Bank (WB)¹ commodity price index was 105.1%, 2.7% lower than in 2023 (Fig. 21). Decreases were observed in the energy components of the index: the energy commodity price index decreased by 5.1%. According to the WB forecast, a further decline of 6% is expected in 2025, while in 2026 the price decline is expected to slow to 2%. The forecast assumes that there will be no further escalation of armed conflicts, global economic growth will remain stable, and oil supplies from non-OPEC+ producers will increase. In addition, OPEC+ countries are expected to maintain increased reserve capacity and postpone the reversal of the voluntary supply cut of 2.2 million bpd. The price index for non-energy commodities rose by 1.9%.

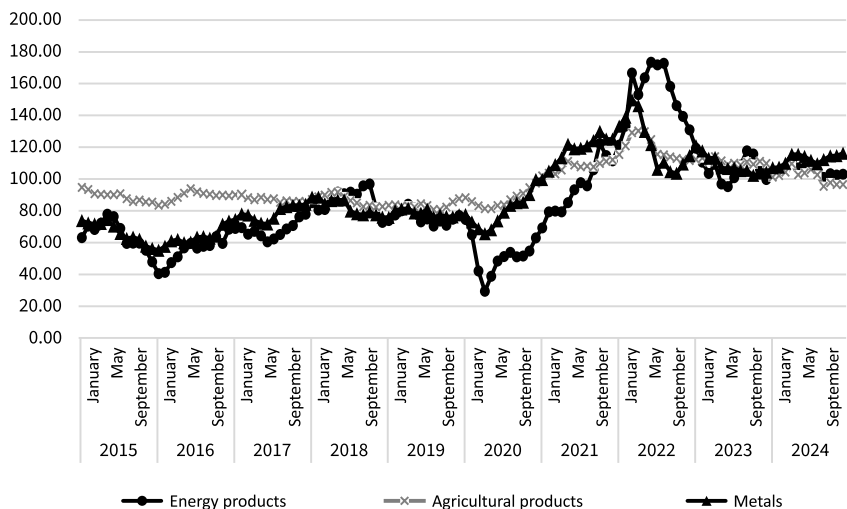


Fig. 21. The World Bank commodities price index (2010=100%)

Source: World Bank official website URL: <http://www.worldbank.org/en/research/commodity-markets#1>

1. The WB official website. URL: <https://www.worldbank.org/en/research/commodity-markets>

In energy markets, geopolitical tensions remain a key factor impacting short-term price fluctuations. In October 2023 and April 2024, oil prices rose sharply above \$90/bbl in response to the escalating situation in the Middle East, including the shelling of commercial ships passing through the Red Sea. In early September 2024, Brent crude oil prices fell below \$70/bbl: on September 10, Brent crude oil cost \$69.19/bbl. This drop in prices was due to slowing economic growth in China and increased oil production in non-OPEC countries.

Oil price volatility hit a maximum in October 2024 on the back of increased market concerns about the Middle East conflict, in particular, due to expectations of Israel's response to Iran's missile attack on October 1. Thus, on October 1, Brent crude oil cost \$73.56/bbl, on October 7 it rose to \$80.93/bbl, on October 29 the price fell to \$71.12/bbl.

The price decline reflects the impact of long-term factors. Firstly, the global consumption of oil is slowing down, which leads to a decrease in its share in global GDP. Thus, in its December oil market report, OPEC revised downward its forecasts of global oil demand growth — the estimate of demand growth in 2025 was reduced by 90,000 barrels per day (b/d) to 1.45 mn b/d. Second, oil supply diversification is taking place, with non-OPEC+ producers gradually increasing their market share. Third, after several rounds of production cuts, OPEC+ has spare capacity that amounts to just over 7% of current global production. This is almost twice as much as the average spare capacity in 2017–2019, when the average Brent oil price was \$63/bbl.

In 2024, the price of Brent crude oil averaged \$80.7/bbl, 2.3% lower than in 2023. In 2025, the price is expected to fall to \$73/bbl, and in 2026 to \$72/bbl. Thus, from the maximum in 2022 (\$99.8/bbl), average annual oil prices will decline for four consecutive years.

The Russian Urals crude oil in 2024 averaged \$67.74/bbl.¹ The Bank of Russia, in its medium-term forecast updated in February 2025,² expects the cost of Russian oil in 2025 at USD 65/bbl, in 2026 and 2027 at USD 60/bbl. — 60 USD/bbl.

Unlike oil prices, the cost of natural gas in Europe increased almost monthly through 2024 due to concerns about the availability of gas imports from Russia and increased competition for liquefied natural gas supplies on the global market. Average natural gas prices in Europe in 2024 settled at \$10.96 per million British thermal units (MMBtu), 16.4% lower than in 2023, as gas markets continue to adjust to the changing supply mix following the events surrounding the start of Russia's SMO in Ukraine. After several years of sharp fluctuations in gas prices, prices are expected to increase moderately by 7% year-on-year in 2025 and then decline in 2026 as supply goes up.

In the U.S., 2024 saw significant fluctuations in natural gas prices throughout the year, including record low prices in March when gas fell to \$1.5/MMBtu,

1. Calculated on data released by the Ministry of Economic Development.

2. Bank of Russia official website. URL: https://cbr.ru/Content/Document/File/172536/forecast_250214.pdf

Table 17

Average annual world prices

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Crude oil (Brent), USD/bbl.	98.94	52.37	44.05	54.39	71.07	64.03	42.3	70.44	99.82	82.62	80.7
Natural gas (USA), USD/MMBTU	4.37	2.61	2.49	2.96	3.16	2.57	2.01	3.85	6.37	2.54	2.19
Natural gas, European market USD/MMBTU	10.05	6.82	4.56	5.72	7.68	4.80	3.24	16.12	40.34	13.11	10.96
Natural gas (Japan), USD/MMBTU	16.04	10.93	7.37	8.61	10.67	10.56	8.31	10.76	18.43	14.39	12.85
Coal (Australia), USA/t	70.13	58.94	66.12	88.52	107.02	77.86	60.79	138.05	344.9	172.78	136.15
Copper, USD/t	6863.4	5510.5	4867.9	6169.9	6529.8	6010.2	6173.8	9317.1	8822.4	8490.3	9142.1
Aluminum, USD/t	1867.4	1664.7	1604.2	1967.7	2108.5	1794.5	1704	2472.8	2705	2255.7	2419.0
Nickel, USD/t	16893	11863	9595.2	10409	13114	13914	13787	18465	25833	21521	16814
Iron ore, USD/t	96.95	55.85	58.42	71.76	69.75	93.85	108.9	161.71	121.3	120.6	109.4
Gold, USD/troy ounce	1265.6	1160.7	1249	1257.6	1269.2	1392.5	1770.3	1799.6	1800.6	1942.7	2387.7

Source: Calculated on the World Bank data.

forcing producers to cut back on natural gas production. But prices began to rise later in the year, driven by the startup of new liquefaction and export projects such as Plaquemines LNG, Corpus Christi LNG Stage 3 and others. The U.S. Department of Energy's Energy Information Administration (EIA) expects natural gas prices to rise in 2025 and 2026 as demand for natural gas grows faster than supply, mainly due to increased demand from U.S. liquefied natural gas export facilities.

Metals price index in 2024 rose by 2.6%, non-ferrous metals by 4.7% and precious metals by 22.3%. Prices for base metals, mainly aluminum and copper, continue to depend on changes in the forecasts of global industrial activity and in the long term are supported by steady demand associated with the transition to renewable energy sources.

H1 2024 saw a significant increase in copper prices. In May, the average price on the London Metal Exchange (LME) hit its highest since April 2022 at US\$10139.33/t.

After reaching their peak in May, copper prices began to decline due to market correction and changes in demand. In 2024, compared to 2023, copper prices rose by 7.7%.

Aluminum prices in 2024 were also characterized by significant growth in the first half of the year. In May 2024, the average monthly price reached USD 2,564.54/t, which is the highest level since June 2022. The price growth was due to sanctions against Russian aluminum imposed by the European Union in December 2023, as well as disruptions in alumina supplies from smelters in Australia. In 2024, aluminum prices rose by 7.2% compared to 2023.

Geopolitical uncertainty combined with increased purchases of gold by central banks and investment funds supported gold prices, which grew throughout the year, repeatedly updating the historical maximum. At the end of trading on October 29, the cost of gold reached a new all-time high of \$2,797.3 per troy ounce. In 2024 compared to 2023, gold prices rose by 22.9%, silver — by 20.8% (*Table 17*).

The price index for food products and agricultural raw materials, calculated by the World Bank, increased by 3.5% in 2024. Beverages rose in price by 63.7%, agricultural raw materials — by 5%, which was partially offset by a decrease in food prices by 7.6%. In 2025, the price index for agricultural products is projected to decline by 4% due to favorable growth conditions in key exporters. In 2026, prices are expected to stabilize when supply and demand come to a more balanced state.

The FAO Food Price Index (FPI) in 2024 is 122.0 points, 2.1% below the 2023 average. Significant declines in cereals and sugar prices are offset by slight increases in vegetable oils, dairy products and meat. The decline in grain prices was due to a good harvest in key producing countries. Sugar became cheaper due to record exports from Brazil and favorable harvest views in India and Thailand. Vegetable oil prices rose due to reduced global supply. Higher meat prices are due to strong demand and production problems. The increase in prices for dairy products is due to higher demand and lower export supplies.

3.6.3. Main indicators of the Russian foreign trade

In 2024, Russia's foreign economic activities faced challenges due to global economic and geopolitical changes. The situation on international markets, sanctions and changes in trade flows had a significant impact on the country's export and import positions.

According to the data of the Bank of Russia, the foreign trade turnover of the Russian Federation in 2024 amounted to \$711.7 bn, which is 2.2% lower than in 2023. The foreign trade balance was positive in the amount of \$122.6 bn, which is 1.4% more than in 2023. This is due to the outstripping rate of decline in imports of goods (*Fig. 22*).

Exports of goods from Russia in 2024 amounted to \$417.2 bn, down 1.7% year-on-year. Exports are still constrained by foreign trade restrictions of unfriendly

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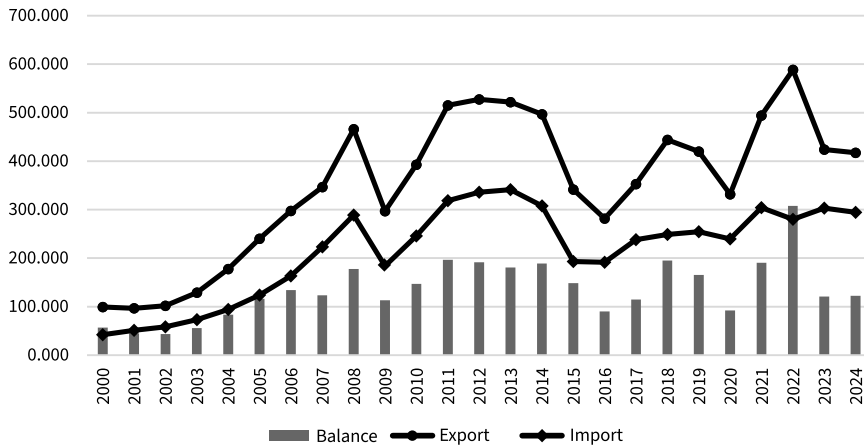


Fig. 22. Main indicators of Russian foreign commodities trade (USD bn)

Source: Bank of Russia official website.

jurisdictions and reduction of oil production due to OPEC+ deal. At the same time, exports were supported by the redirection of Russian export supplies. According to the Federal Customs Service of Russia, the share of Europe in Russian exports decreased to 15.8% in 2024 from 20.2% in 2023, while the share of Asia increased to 75.9% from 71.9% and Africa to 5.6% from 5.0%, respectively.

Mineral products still accounted for the largest share in the structure of Russia's exports in 2024 — 60.9% (61.2% in 2023). The second largest item was metals and metal products, accounting for 14.7% (14.1%). The third place was occupied by food products and agricultural raw materials with a share of 9.8% (10.1%) (Fig. 23).

Imports of goods to Russia in 2024 amounted to \$294.5 bn, which is 2.7% less than in 2023. The largest item of Russia's imports is machinery, equipment and vehicles, their share in 2024 accounted for 52% (51.1% in 2023). Next come products of the chemical industry — 18.9% (19.5%) and food products and agricultural raw materials — 13.3% (12.3%) (Fig. 24).

According to the Bank of Russia's estimates,¹ in 2024 the physical volume of exports decreased by 2.0% on the back of sanction restrictions. It is expected that in 2025–2027 exports will gradually recover as Russian companies adapt to external trade and financial restrictions through the expansion of logistics chains and re-orientation to new markets.

In 2024, the physical volume of imports will decrease by 1.0–3.0%. This is due to pressure on sanctions and problems with payments and supplies. It is expected

1. Bank of Russia official website. URL: https://cbr.ru/Content/Document/File/166586/forecast_241025.pdf

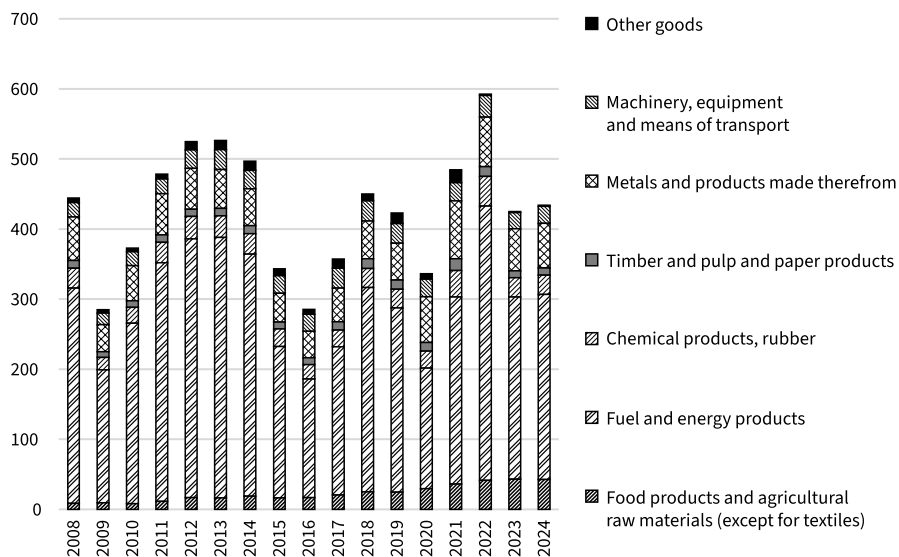


Fig. 23. Goods-wise dynamic of Russian exports (USD bn)

Source: Federal Customs Service.

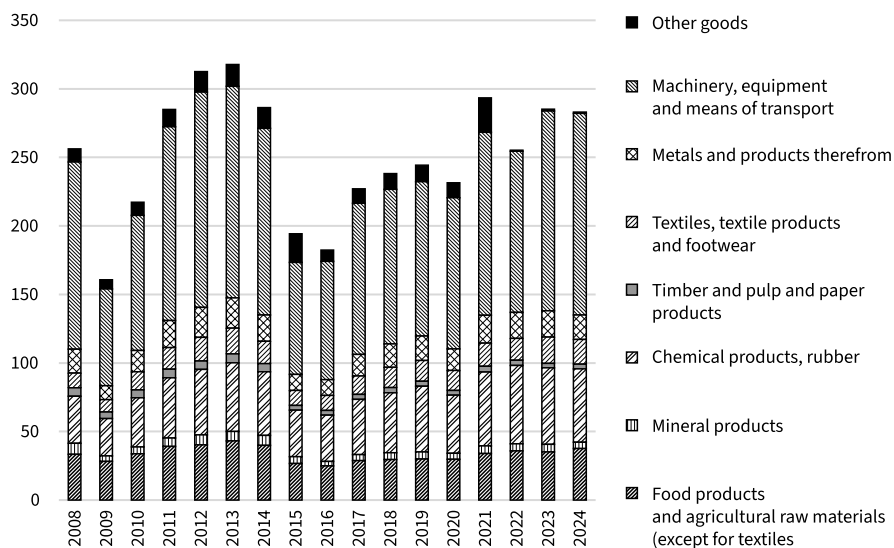


Fig. 24. Goods-wise dynamic of Russian imports (USD bn)

Source: Federal Customs Service.

that in 2025–2026 the physical volume of imports will gradually recover, but at a lower rate than previously expected. At the same time, the growth rate of imports will lag the dynamics of domestic demand, which also reflects import substitution processes. In 2027, import growth rates will stabilize at a long-term sustainable level, corresponding to the new structure of the economy.

According to the forecast of the Ministry of Economic Development,¹ the growth of physical volumes of Russian exports of goods will continue in the medium term (by 3.3% per year in real terms over the entire forecast horizon). Growth will be driven by non-oil and gas exports, which will grow faster (by an estimated 4.5% per year in real terms over the entire forecast horizon). The growth of physical imports will resume from 2025 — 9.2% in 2025 with growth slowing down to 4.3% by 2027. As a result, the trade surplus and current account balance in 2027 will amount to 4.9% of GDP and 1.0% of GDP, respectively.

3.6.4. Regional pattern of Russian foreign trade

Since the start of the special military operation in Ukraine, trade relations between the European Union and Russia have undergone significant changes. The EU has imposed import and export restrictions on certain goods. As a result, imports of goods to the Russian Federation from the EU in 2024 fell by 42.5% compared to 2022, while imports of goods from the Russian Federation dropped by 82.2%. As a result, the EU trade deficit with Russia amounted to €4.4 bn, which is significantly lower than the peak deficit of 147.1 bn € recorded in 2022.

In Q4 2024, compared to the previous quarter, exports of goods from Russia increased by 2.6%, while exports of goods to Russia decreased by 8.3%. Russia's share in exports of goods outside the EU decreased from 3.2% in Q1 2022 to 1.1% in Q4 2024. Over the same period, the share of Russian goods imported into the EU decreased from 9.3% to 1.5%.

Analysis of the quarterly data showed that the total trade volume between the EU and Russia is closely linked to energy trade. High energy prices in 2021 and 2022 led to a significant trade deficit, which reached a maximum of €46 bn in Q2 2022. However, the introduction of import restrictions and lower energy prices significantly reduced the trade deficit. In Q4 2024, it amounted to only €2.1 bn.

It should be noted that the EU cannot completely refuse from some Russian goods. Eurostat notes 5 groups of products that accounted for more than 60% of all EU imports from Russia. These are natural gas, oil products, mineral fertilizers, nickel, iron and steel.

1. Ministry of Economic Development official website. URL: https://www.economy.gov.ru/material/file/b028b88a60e6ddf67e9fec07c4951f0/prognoz_socialno_ekonomicheskogo_razvitiya_rf_2025-2027.pdf

The EU has imposed import restrictions on natural gas, coal and petroleum products, albeit with some exceptions. Restrictions were also imposed on iron, steel and fertilizers, but not on all goods in these categories. The restrictions led to a sharp reduction in imports of these commodities from Russia into the EU. As for imports of nickel, there were no restrictions on its supplies, but even here the value volume of imports decreased significantly, mainly due to the decrease in prices.

In Q4 2024, the physical volume of nickel supplies from Russia to the European Union amounted to 76%, while the value volume — 46% of the level of Q1 2021. Russia's share in the EU nickel imports in the period from Q4 2022 to Q4 2024 decreased by 22 p.p. At the same time, the share of the USA (+10 p.p.), Norway (+5 p.p.) and the UK (+4 p.p.) increased.

In Q4 2024, the physical volume of petroleum product imports from the Russian Federation amounted to only 10% of the volume recorded in Q1 2021, while the value volume amounted to 13%. In the period from Q1 2021 to Q1 2022, imports of petroleum products from Russia to the European Union almost doubled in value terms due to price growth. In 2021, Russia was the main supplier of petroleum products to the EU. However, after the start of the conflict in Ukraine, there was a serious diversification in the trade in petroleum products. The share of petroleum product imports from Russia decreased from 18% in Q4 2022 to 2% in Q4 2024. During this period, the shares of other supplying countries increased: the USA (+7 p.p.), Kazakhstan (+4 p.p.), Saudi Arabia (+2 p.p.) and Norway (+1 p.p.).

The physical volume of fertilizer imports from Russia to the EU in Q4 2024 compared to Q1 2021 decreased by 26 pp. However, due to rising prices, the value of imports more than doubled. Russia's share in the total volume of fertilizer imports to the EU increased from 20% in Q4 2022 to 25% in Q4 2024.

The volume and value of iron and steel imports from Russia to the European Union in Q4 2024 amounted to about one third of the figures of Q1 2021. In the period from Q1 2021 to Q2 2022, the value of iron and steel imports from Russia to the EU increased by 63 p.p., mainly due to price increases. Subsequently, there was a decrease in both physical and value volumes due to the imposition of sanctions on some goods in this category. Russia's share in iron and steel supplies to the EU in Q4 2024 compared to Q4 2022 decreased by 1 p.p. The main suppliers were China (10.1%) and South Korea (9.8%).

In Q4 2024 compared to Q1 2021, the physical volume of liquefied natural gas imports from Russia to the European Union increased by 18%. Due to price growth, the value of imports increased by 274% over the period. Russia's share in LNG imports to the EU decreased from 12% in Q3 2022 to 10% in the third quarter of 2023 but increased to 22% in the fourth quarter of 2024. The US accounts for the largest share of liquefied natural gas shipments to the EU at 36%.

In Q4 2024, the physical volume of natural gas imports from Russia to the EU was 61% lower than in Q1 2021. However, despite this, due to rising prices, its value decreased by only 9%.

In the period from Q1 to Q3 2022, the volume of natural gas imports from Russia to the EU increased significantly driven by a sharp increase in prices. In the following quarters, both the physical volume and value of imports declined significantly. In Q4, imports from Russia dropped, but the value went up. Russia's share of total EU natural gas imports diminished slightly, from 24% in Q4 2022 to 22% in Q4 2024. Algeria's share increased most notably over this period, to 32%.

The European Union continues to supply Russia with a variety of goods. From 2021 to 2024, exports of 4 out of 5 main categories of goods — machinery, vehicles, electrical engineering and plastics — have significantly decreased. The only exception was pharmaceuticals (*Table 18*).

Table 18

Exports of major European commodity groups to Russia (Euro mn)

	2021	2022	2023	2024
Machinery and equipment	19469.9	9837.7	5048.4	2875.9
Means of transport	8938.2	2195.0	731.2	250.7
Pharmaceuticals	7991.0	9863.9	8530.1	8562.5
Electrical equipment	7578.9	2850.9	1018.0	581.1
Plastics	4371.1	2648.2	1442.3	952.7

Source: Eurostat (online data code: ds-045409).

In 2021, Russia was one of the 40 largest foreign trade partners of the United States with an annual mutual trade turnover of around \$20 bn. The trade turnover between the countries reached its maximum level in 2021 — \$37.1 bn. U. S. exports to Russia declined to \$101.1 mn in March 2022 from \$497.5 mn in February 2022, reflecting the initial impact of U. S.-imposed sanctions and export controls on bilateral trade relations. Overall for 2022, U. S.-Russian foreign trade turnover is down 54.7% from 2023, with a further 67.2% decline in 2023. In 2024, the reduction in trade turnover continued: it lost another 30.9%, reaching its lowest level for the entire observation period — \$3.8 bn.¹

The import of American goods into Russia in 2022 decreased by 73.1% compared to the previous year, in 2023 — by 65.2%, in 2024 — by 11.9% to \$526 mn. The United States supplies the Russian Federation with sugar syrups with flavoring or coloring additives; vaccines, toxins, microorganism cultures; bovine semen; instruments and devices used in medicine, surgery, dentistry or veterinary medicine, as well as an insignificant amount of other goods.

The supply of Russian goods to the US in 2022 decreased by 50.9% year-on-year, by 67.5% in 2023, and by 33.3% to USD 3.27 bn in 2024. The main item of Russian

1. Bureau of Economic Analysis. URL: <https://www.bea.gov/news/2025/us-international-trade-goods-and-services-december-and-annual-2024>

imports to the US is fertilizers. In addition, the U.S. buys palladium; uranium and its compounds; glued plywood, veneered panels and similar laminated wood; soybean meal, titanium and titanium products, including waste and scrap.

China remains the main trade partner of the Russian Federation. In 2022, trade turnover between the countries amounted to \$190 bn; in 2023, it hit a record high of \$240.11 bn. According to the General Administration of Customs of the People's Republic of China,¹ the trade turnover between China and Russia in 2024 hit \$244.8 bn, increasing by 1.9% compared to the previous year. Of this, Russian exports amounted to \$129.3 bn (+0.14%) and counter supplies from China amounted to \$115.5 bn (+4.08%). For Russia, the trade balance was positive in the amount of \$13.8 bn (+4.08%).

There is a significant slowdown in the growth of Russian-Chinese trade turnover. If in Q1 2023 compared to the same quarter of the previous year the growth was 38.9%, in Q2 — 42.5%, in Q3 — 13%, in Q4 — 17.8%, in Q1 2024 — only 5.9%, in Q2 there was a decrease of 1.5%, in Q3 the growth amounted to 1.9%, in Q4 — 1.4%.

There were no significant qualitative changes in the commodity structure of mutual trade. Russia's exports to the PRC in 2024 were centered on energy carriers, metals and agricultural products. Despite the fact that there is an increase in non-resource exports, including agricultural products (fish, oils, grain), metals (copper, aluminum) and chemical products (fertilizers and chemical reagents used in agriculture and industry), energy resources (oil, gas and coal) remain dominant, as a result of which the value dynamics of Russian exports strongly depends on the price situation on the world market. Deterioration of the world market price environment in 2024, primarily for energy commodities, led to a slowdown in the growth of Russian exports.

The largest volume of Chinese goods supplies to Russia is accounted for by machinery and consumer products. Thus, the dynamics of Chinese supplies is determined by the size of solvent production and consumer demand in Russia. Chinese brands replaced European, American and Japanese brands that left the Russian market. However, since H2 2023, as the vacated niches in the Russian market are filled, the monthly growth rates of Chinese goods supplies began to decline.

China did not join the anti-Russian sanctions, but the vast majority of Chinese banks and companies did not violate the sanction restrictions. As a result, the problem of cross-border settlements remains a significant constraint to the further development of trade turnover. In March 2024, 80% of settlements between Russia and China were suspended due to Western sanctions, which seriously affected trade relations: Chinese exports to Russia in March decreased by almost 16% year-on-year.

Thus, the dynamics of trade turnover between Russia and China is decreasing due to the exhaustion of previous development factors and the growing sanctions pressure on the Russian Federation. There is a need for new large-scale investment

1. Official website of The General Administration of Customs of the People's Republic of China (GACC). URL: <http://english.customs.gov.cn/statics/report/preliminary.html>

projects, mass arrival of Chinese investors in Russia and localization of production of engineering products.

Trade turnover between Russia and India has increased 6-fold in the last three years, making India Russia's second largest foreign economic partner. The Russian Federation has become the largest supplier of oil to India, but Indian exports to the Russian Federation have faced difficulties, leading to an Indian trade deficit in bilateral trade. In the first 10 months of 2024, it amounted to \$50.7 bn.

According to the Ministry of Commerce of India,¹ in the first 11 months of 2024, trade turnover between India and Russia reached \$64.5 bn, exceeding the same indicator of the previous year by 8.6%. Russian goods imports to India amounted to \$59.98 bn, up 7.7% from 11 months of 2023. Indian goods imports to Russia in 2024 increased by 23.35% to \$4.5 bn. The main export items of goods from India include pharmaceutical products, organic chemicals, electrical equipment, mechanical appliances, as well as iron and steel. The structure of Russian goods supplied to India is dominated by oil and petroleum products, fertilizers, mineral resources, precious stones and metals, and vegetable oils.

The countries are working to strengthen the ruble-rupee settlement mechanism in national currencies by opening Vostro accounts to facilitate transactions in local currencies. A Free Trade Agreement (FTA) between the Eurasian Economic Union (EAEU) and India, as well as a bilateral agreement on services and investment, are still being developed.

The possibilities of expanding exports from India are being actively discussed and new models of cooperation are being developed. Within the framework of bilateral interaction, various connectivity initiatives are gaining importance. The North-South International Transport Corridor and the Chennai-Vladivostok Eastern Sea Corridor stand out in particular. In addition, the two countries continue to actively pursue cooperation in the development of Russia's Far Eastern region and joint work in research, logistics and training in the Arctic region. There is a strong correlation between Russia's pivot to the East, its resources and technology, and India's own key initiatives such as Atmanirbhar Bharat (Self-Sufficient India) and Make in India.

Western sanctions imposed against Russia have redirected global trade flows, as a result of which Turkey has become one of Russia's key trading partners. In 2022, the foreign trade turnover between the countries almost doubled: to \$68.2 bn from \$34.7 bn in 2021. However, in 2023, the trade turnover decreased by 17.1% due to a 22.5% drop in Russian exports, while imports of Turkish goods into Russia increased by 16.7%. In 2024, the trade turnover between the two countries decreased by 6.9% compared to 2023, amounting to \$52.6 bn.²

1. Official website of the Ministry of Trade of India. URL: <https://tradestat.commerce.gov.in/meidb/cnt-com.asp?ie=e>

2. Official website of Republic of Türkiye Ministry of Trade. URL: <https://www.trade.gov.tr/statistics/foreign-trade-statistics/monthly-foreign-trade-statistics-tables-november2024>

Although Turkey remains a major importer of Russian energy, supplies from Russia have declined slightly. U.S. sanctions on Gazprombank, a key bank for energy operations, have made it more difficult for Turkey to settle gas payments with Russia. Turkey has also suspended wheat imports from Russia from June through October 2024 to support local producers. Imports of Russian goods into Turkey decreased by 3.5% to \$44 bn. At the same time, the Russian Federation remained Turkey's main importer. Imports of Turkish goods into the territory of the Russian Federation declined by 21.5% to \$8.6bn. The reduction in the import of Turkish goods to the Russian Federation was mainly due to the impact of Western sanctions imposed on Russia. The re-export of European goods to Russia via Turkey dropped. Turkey has tightened control over re-exports of dual-use goods, due to which exports of such goods, including electronics, chips, semiconductors and other equipment, have significantly decreased. Since the beginning of 2024, Turkish exporting companies have faced an almost complete cessation of remittances from Russian customers. Fear of secondary U.S. sanctions on Turkish financial institutions has prompted stricter compliance measures for Russian customers. Payments to Turkey are now only possible for a limited set of goods and services, including pharmaceuticals, food, consumer goods and travel services.

Thus, the decline in trade between Turkey and Russia in 2024 was primarily a consequence of the threat of US sanctions, which led to stringent compliance measures by Turkish banks, restrictions on transaction types, and significant disruptions in trade, particularly affecting the non-oil sector and energy payments.

In November 2024, Kuala Lumpur, Malaysia, hosted an international business forum entitled “World of Opportunity: Russia — ASEAN”. Russia is a strategic partner of ASEAN.

Among ASEAN countries, only Singapore supports sanctions against Russia. Other ASEAN countries have not joined the anti-Russian sanctions despite pressure from the US and other Western countries. This is due to their economic interests and their efforts to maintain neutrality in international politics.

According to the ASEAN Statistics Division,¹ the trade turnover between Russia and ASEAN in 2023 went up by 3.5% compared to the previous year and reached \$15.9 bn. In 2024, the positive dynamics continued: for 9 months, trade turnover amounted to \$13.53 bn, which exceeded the same indicator of 2023 by 22.2%.

A strategic program of trade and economic cooperation between Russia and ASEAN for the next 10 years is currently being prepared. The program will include specific goals to increase trade turnover, as well as benchmarks for a wide range of areas of cooperation — from traditional areas of the economy, namely trade and investment, to digital transformation, science and technology, logistics, climate, tourism and creative economy.

1. ASEANStatsDataPortal. URL: <https://data.aseanstats.org/trade-quarterly>

Addressing the task of diversifying trade turnover, Russia supplies ASEAN countries not only with traditional energy resources, but also with medicines, chemical products, agricultural products, fertilizers and IT. The Russian Federation is actively developing settlement mechanisms in rubles and local currencies of ASEAN countries, which helps reduce dependence on the US dollar and facilitate trade transactions.

Currently, Russia's largest trade partner in Southeast Asia is the Socialist Republic of Vietnam. In 2015, Vietnam became the first country to establish a free trade zone (FTA) with the Eurasian Economic Union. It should be noted that the goal of Vietnam's trade policy is to strengthen international integration and maintain balanced economic relations with foreign partners. Vietnam is a party to or negotiating 17 bilateral and regional free trade agreements, including the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP), the EU-Vietnam Free Trade Agreement (EVFTA) and the Regional Comprehensive Economic Partnership (RCEP). Vietnam has other free trade agreements, both as a member state of ASEAN and as a separate state, with China, Korea, India, Australia, New Zealand, Japan, Chile, and the UK.

Since the Vietnam-EAEU Free Trade Agreement came into force, the volume of mutual trade between Vietnam and Russia has grown significantly. While in 2015 the trade turnover amounted to \$2.19 bn, in 2016. — 2.75 bn, in 2017. — USD 3.56 bn. At the end of 2021, mutual trade turnover reached a record level of \$5.5 bn, 12.1% higher than in 2020. In 2022, due to changes in the geopolitical situation and the complication of logistics, there was a decline of 35.6% to \$3.55 bn. However, already in 2023, trade turnover between Russia and Vietnam increased by 2.3% compared to 2022, exceeding the level of \$3.6 bn.

According to the General Department of Customs of Vietnam,¹ in 2024, bilateral trade turnover between Vietnam and the Russian Federation reached \$4.59 bn, up 26.4% compared to 2023. Imports of Vietnamese goods reached \$2.34 bn, up 34.5%; exports of Russian goods reached \$2.25 bn, up 19%. These figures show the recovery of trade turnover between the two countries despite numerous difficulties in transportation and payment.

The development of economic relations between Russia and Vietnam will be hampered by the imposed sanctions, but the existing political ties between the two countries, as well as the operation of joint ventures on Vietnamese territory will contribute to maintaining trade between the countries. Businesses in the two countries are looking for ways to maintain economic ties by utilizing free trade zone mechanisms and adapting their activities to the new environment created by the Western countries' sanctions against Russia.

The Russian Federation significantly increased its trade with neighboring countries in 2024.

1. General Department of Vietnam Customs. URL: <https://www.customs.gov.vn/index.jsp?pageld=4964>

According to the Ministry of Foreign Affairs of the Republic of Belarus,¹ the volume of trade turnover between the countries in 2024 amounted to more than \$55 bn. Belarusian exports to Russia increased by 6.3%, imports by 8.0%. Russia continues to be Belarus's main trade partner: in 2024, Russia accounted for more than 60% of the value of foreign trade in goods, almost 55% of exports, and more than 65% of imports.

Belarus supplies Russia with food products—dairy products and finished meat products, as well as vehicles, electrical machinery and equipment, and textile products. Russia, in turn, supplies Belarus with electrical machinery, equipment and vehicles, plastics and plastic products. A significant share in the structure of Russian exports is taken by food products—flour products and meat. In addition, Russia exports mineral fuel, ferrous metals and paper products to Belarus.

Kazakhstan remains Russia's main trade partner among the neighboring countries in Asia. According to the Bureau of National Statistics of Kazakhstan,² Russia's trade turnover with Kazakhstan increased by 2.8% to \$27.8 bn in 2024. Kazakhstan purchased \$18.252 bn worth of goods in Russia, which is 8.3% more than in 2023. Deliveries of Kazakh goods to Russia decreased by 6.5% in 2024 compared to 2023—to \$9.546 bn. Russian supplies of machinery, equipment and vehicles to Kazakhstan increased, while supplies of food and agricultural raw materials from Kazakhstan increased. The supplies of goods with high added value increased in both directions.

Armenia became Russia's second most important trade partner in the region, replacing Uzbekistan from this position. In 2024, the volume of trade between Russia and Armenia increased 1.7-fold to \$12.6 bn. Trade with Uzbekistan grew more moderately—by 17.2% to \$11.6 bn.

Azerbaijan was the fourth largest trading partner in the region in 2024, with trade with Russia increasing by almost 10% to \$4.8 bn.

Kyrgyzstan continues to occupy the fifth place. Over the year, trade between the two countries totaled \$3.2 bn, up 10.3% from the previous year.

Trade with Georgia increased by 4% to \$2.5 bn, overcoming the decline seen a year earlier. Trade turnover with Tajikistan grew by 15.5% and reached \$2 bn.

3.6.5. Regulation of Russian foreign trade³

In order to prevent shortages of certain goods on the domestic market and to curb price increases, the Russian Government has taken an extensive set of measures in the area of customs and tariff regulation over the past 3 years.

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1. Official website of the Foreign Ministry of Belorussia. URL: <https://mfa.gov.by/bilateral/russia/regions/economy>
 2. Official website of the Bureau of National Statistics of Kazakhstan. URL: <https://stat.gov.kz/ru/industries/economy/foreign-market/>
 3. This section was drafted using materials from the legal information portal GARANT.RU

Tariff regulation***Export customs duties***

Within the framework of the Decree of the Government of the Russian Federation of 29.08.2024 No. 1173 “On Amendments to Certain Acts of the Government of the Russian Federation” the term of validity of export duties on sunflower seeds (in the amount of 50%, but not less than 32 thousand rubles/t) and soybeans (in the amount of 20%, but not less than \$100/t), as well as the term of validity of floating rates of export customs duties on sunflower oil and sunflower meal is extended until August 31, 2026. In addition, from September 1, 2024 to August 31, 2026, export duties on rape seeds are established to replace the current temporary export ban. The rate will be 30%, but not less than €165/t.

Decree of the Government of the Russian Federation No. 1482 of 02.11.2024 amends the rates of export duties in respect of fish products and seafood. Sardine and pollock fillets, as well as cooked or preserved crustaceans, mollusks and invertebrates, are excluded from the list of goods for which export duty rates are set.

Resolution of the Government of the Russian Federation No. 1745 dated 11.12.2024 establishes that the export duty on exports of nitrogen, phosphate, potash and compound fertilizers will be no more than 7% depending on the ruble exchange rate

Import customs duties

Decree of the Government of the Russian Federation No. 1757 of 11.12.2024 amends Decree of the Government of the Russian Federation No. 2240 of 07.12.2022. Temporary rates of import customs duties are extended until December 31, 2025 in respect of certain types of goods, such as alcoholic beverages, sweets, household chemicals, perfumes, cosmetics, clothing, batteries, weapons, etc., whose country of origin is unfriendly countries.

Tariff quotas

Decree of the Government of the Russian Federation No. 1400 of 19.10.2024 “On the introduction of temporary quantitative restrictions on the export of certain types of fertilizers” establishes quotas for the export of certain types of mineral fertilizers in the amount of 19.2 mn t. from 1 December 2024 to 31 May 2025 inclusive. Non-tariff quotas also apply to fertilizers exported from the territory of the EAEU from December 1, 2024, declared and released in accordance with customs procedures. The cases to which the imposed restrictions do not apply are defined.

Decree of the Government of the Russian Federation of 30.11.2024 No. 1688 established a tariff quota for export from the Russian Federation of certain types of rape seeds produced in the territory of the Trans-Baikal Territory for the period until August 31, 2025 (inclusive),

Decree of the Government of the Russian Federation of 18.12.2024 No. 1815 from the date of entry into force of this Decree and up to and including August 31, 2025 establishes a tariff quota for export from the Russian Federation outside the EAEU of certain types of sunflower seeds (code 1206 00 990 0 TN VED EAEU) produced in the territory of the Zabaikalsky Krai in the amount of 9,300 tons.

Decree of the Government of the Russian Federation of 18.12.2024 No. 1818 amended the Rules of distribution among participants of the Foreign Economic Activity of the volume of tariff quotas in respect of wheat and meslin, barley, rye and corn exported outside the territory of the Russian Federation to states that are not members of the EAEU, approved by Decree of the Government of the Russian Federation of 31.12.2021 No. 2595. According to the Decree, the quota volume for wheat and meslin exports will be 10.6 million tons, barley, rye and corn — 0 tons. The tariff quota will be valid from February 15 to June 30, 2025.

Decree of the Government of the Russian Federation No. 1633 of 27.11.2024 raised the volume of the tariff quota for export of ferrous metal scrap and waste outside the Eurasian Economic Union. According to the Decree, the quota will increase by 100,000 tons—from 550,000 to 650,000 tons. The Ministry of Industry and Trade will distribute the additional quota among participants of foreign trade activities. The decision was valid until December 31, 2024. As before, when exporting ferrous scrap and waste within the quota, the duty is 5%, but not less than €15/t, in excess—5%, but not less than €290/t.

Import bans and restrictions

Russian Government Decree No. 1400 of 19.10.2024 sets a total export quota of about 19.2 mn t of mineral fertilizers to be exported from Russia from December 1, 2024 to May 31, 2025 inclusive. For nitrogen fertilizers, the exported volume will be about 11.2 mn t, for complex fertilizers—almost 8 mn t.

Decree of the Government of the Russian Federation No. 1544 of 14.11.2024 supplements the list of certain types of goods in respect of which export ban was introduced. This refers to the export of enriched uranium to the US or under foreign trade agreements concluded with persons registered in US jurisdiction. The exception is deliveries under one-time licenses issued by the Federal Service for Technical and Export Control.

Decree of the Government of the Russian Federation of 28.11.2024 No. 1653 extends until December 31, 2026 the food embargo on imports of products from unfriendly jurisdictions, as well as the Rules for the destruction of sanctioned food products.

Decree of the Government of the Russian Federation No. 1661 of 28.11.2024 amends Decree of the Government of the Russian Federation No. 1074 of 13.08.2024 “On the Introduction of a Temporary Ban on the Export of Marketable Gasoline from the Russian Federation”. According to the amendments, the term of validity

of the temporary restriction on export of commercial gasoline from the Russian Federation is extended until January 31, 2025.

Executive Order of the RF President No. 1069 of December 13, 2024 “On Amendments to Executive Order the President of the Russian Federation No. 961 of December 27, 2022 ‘On Application of Special Economic Measures in the Fuel and Energy Sphere in Connection with the Establishment by Certain Foreign States of a Price Ceiling for Russian Oil and Petroleum Products’ extends the ban on the supply of Russian oil and petroleum products to foreign buyers applying the ‘price cap’ introduced by unfriendly jurisdictions until June 30, 2025 inclusive. Previously, such a ban was to be in effect until December 31, 2024.

By Decree of the Government of the Russian Federation No. 1603 of 22.11.2024, for the period from December 1, 2024 to May 31, 2025 inclusive, a temporary ban on export from Russia of waste and scrap of precious metals or metals clad with precious metals, other waste and scrap containing precious metal or precious metal compounds used primarily for the extraction of precious metals, as well as waste and scrap of electrical and electronic products used primarily for the extraction of precious metals.