According to business surveys conducted by the Gaidar Institute, amid flat and relatively stable demand, whose forecasts for change are also stable, attempts of the industry to increase production volumes lead to the growth of surplus of stocks of finished products, negative adjustment of output and investment plans.

**Demand for industrial products**

January data on sales of industrial products again failed to demonstrate any crucial changes in this indicator’s dynamics. Basic series showed habitual for recent year decline of balance of changes to -33 points, which following seasonal adjustment returned to the interval where it has been staying since July 2015 — month when Russian industry reached latest ‘bottom line’. Forecasts of book orders remained equally stable after seasonal adjustment (Fig 1). From April 2015 (i.e. already 10 month in a row!) they stay around zero varying by not more than 3 points to one or the other side. Businesses have definitely achieved stability of this indicator.

However, such stability, of which the government is proud of, does not suit ever growing part of Russian industry. In January 2016, the share of assessments “normal” of the current sales volume fell to 42%, which was three-year minimum. Although even in August 2015, demand volumes suited 59% of businesses. The lowest satisfaction with sales was registered in January 2016 in the light industry (12%, average value in Q4 2015 was 30%), construction industry (20%, in Q4 2015 was 18%) and iron and steel industry (23%, in Q4 2015 was 25%).

**Output**

One of the reasons for Russian industry disappointment in stable book orders volume feasibly were attempts designed to increase the output volumes. Survey results demonstrate that following august slowdown (Fig. 2) enterprises try, not always successfully, to increase their output, however a positive indicator’s trend registered since September 2015, according to enterprises, is present. In January 2016, output can again try to overcome “bottom’s” gravitation of the Russian crisis. January 2016 data do not give grounds for a decisive conclusion regarding sustainable industrial growth.

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1 Business surveys of managers of industrial enterprises have been conducted by the Gaidar Institute using a European harmonized method in monthly cycles since September 1992, covering the entire territory of the Russian Federation. The panel size is about 1,100 enterprises employing over 15% of industrial employees. The panel is shifted towards large enterprises for each of the segregated sub-industries. The ratio of returned questionnaires is 65–70%.
or, on the contrary, regarding similar sustainable decrease. The latter will support discussion regarding correctness of time series adjustment by the official statics from seasonal and calendar factors failing to add anything new to the understanding of the situation in Russian industry.

A different picture is being observed in the dynamics of production plans. This indicator was gaining confidence already since July 2015. In October-November it reached four-year maximum, but then starting losing it: in December 2015 – 3 points, in January 2016 – 7 points. January (2016) decrease of balance in output plans after seasonal adjustment can trigger new negative trends in Russian industry. Exactly a year ago, (during psychologically harder at least for the authorities January 2015) balance of the indicator showed even a symbolic growth and fell in February due to panic rhetoric.

**Stocks of finished products**

The dynamics of assessment of stocks of finished products is also gaining negative momentum (Fig. 3). In January, the balance of the indicator went down by another 3 points and since November 2015 surplus went up by 6 points hitting +10. On the one hand, shaping of a negative trend is clear following an exceptionally successful weathering of the “crisis” year 2015 with minimum level of ample stocks and with maximum “normal” assessments. Therefore, during past year Russian enterprises successfully monitored their stocks denying the current crisis a possibility for their increase at the expense of getting rid of their surplus. On the other hand, such values are rather small for the crisis period. In 2009, balance of assessments reached +25 points (according to quarter assessments). However, record high values of the indicator were registered during the first years of the implementation of economic reforms: +53 points in 1992, +44 points in 1994, +22 points in 1996 and +3 points in 1998. Such stable reduction of local maximums of the assessments of stocks of finished products indicates good aptitude for learning of Russian industry in 1990s.

**Business pricing policy**

Traditional January hick of prices of goods leaving factory gate in 2016 (Fig. 4) turned out to be very moderate following the record high of 2015 (+42 points). The balance of the indicator now hit only +11 points after a zero growth registered in December and a small price decline posted in November. Although December plans projected strong price growth as around +21 points. Obviously, reediness to support demand makes industry to carry out exceptionally balanced pricing policy even amid intensive growth of costs due to high dependence of Russian industry on constantly growing
dear imports and flat successes of the import substitution policy.

This crisis is amply demonstrated by the priorities set up in the anti-crisis policy implemented by Russian businesses. In April 2015, regular survey of breadth of measures being implemented by Russian industry in the course of preparation for the second wave of the crisis showed twofold growth of responses: “search for more attractive suppliers” and “more balanced pricing policy.” In August 2014, popularity of such measures fell to four-year low of monitoring (23% and 19%, respectively and the most popular response was “we do not undertake anything special” (44%). In 2015, 43% of enterprises were engaged in search of new suppliers and 43% of businesses implemented balanced pricing policy. In April 2015, 18% of businesses did not engage in any anti-crisis activities.

**Labor problems of Russian industry**

Habitual January surge of dismissals in industry happened in 2016. However, balance of the indicator fell less than it did traditionally, and forecasts of change in employment showed expectations of positive shifts in workers’ quality in coming months of 2016.

Actually developed employment level does not yet have manifestations of the crisis escalation. First, current shortage of personnel (first of all, qualified workers) fell in October 2015 – January 2016 to 20%. At the height of the crisis of 2008–2009, this indicator declined to 14% and prior to default of 1998 came to barely 8%. Second, since the beginning of the crisis year of 2015, expected surplus of personnel is stable and constitutes 12%, meanwhile in Q1 2009 it hit 33%, but a year after if decreased twofold. Prior to default of 1998, the indicator was consistently high averaging 38%. Third, normal wages (according to managers) now are secured to employees of 72% of Russian enterprises. January (2016) value of the indicator hit ahistorical high of nine-year monitoring of mentioned assessments. At the peak of the crisis of 2008–2009 “normal” wages were secured at 37% of enterprises.