

# MONITORING OF RUSSIA'S ECONOMIC OUTLOOK

trends and challenges  
of socio-economic development



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## BALANCE OF PAYMENTS IN Q1 2026

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*The current account balance of the Russian Federation's balance of payments in Q1 2026 amounted to \$12.2 bn, a 34% decrease from the corresponding figure for Q1 2025. The financial account deficit (excluding reserve assets) narrowed to \$14.5 bn, compared with \$16.8 bn a year earlier. The decline in net capital outflows was driven by a reduction in purchases of foreign assets. The ruble exchange rate weakened by 3.9% over the quarter (to Rb81.3 per dollar) but strengthened to Rb74.9 per dollar in April. The average ruble exchange rate is expected to be Rb75–85 per dollar in 2026.*

According to a preliminary balance of payments estimate released by the Bank of Russia, the current account balance for Q1 2026 stood at \$12.2 bn, a 34% decrease compared to Q1 2025. (\$18.4 bn decrease of \$6.2 bn in absolute terms; in Q1 2024, this figure stood at \$23.9 bn) The structure of the current account can be described in terms of three main balances: trade in goods, trade in services, and the balance of primary and secondary income.

*The goods trade balance* amounted to \$25.3bn, which is 17.6% (an absolute decrease of \$5.4bn) less than the figure for Q1 2025 (\$30.7bn; in Q1 2024 – \$34.8bn). The key factor in this decline was the increase in the value of goods imports from \$66.4bn in Q1 2025 to \$73.0bn in Q1 2026. (by 10%) and a minimal increase – by \$1.2bn to \$98.3bn in Q1 2026 compared to \$97.1bn in Q1 2025 – in the volume of goods exports (by 1.2%).

This export trend (generally stable over the entire quarter) is due to the maintenance of physical volumes of Russian product shipments in January–March 2026 compared to Q1 2025, and a decline in prices for Russia's core export commodities (oil, petroleum products, grain, coal, ferrous and non-ferrous metals) in January–February 2026 compared to the same period in 2025, and a subsequent increase in March 2026 due to logistical issues in the Persian Gulf. Subsequently, based on the results of the second quarter of 2026, an increase in the value of exports can be expected due to the continued high prices for Russian export goods caused by the ongoing crisis in the Persian Gulf.

The observed dynamics of goods imports are driven by the stabilization of logistics chains amid the strengthening of the national currency: according to data from the Bank of Russia, the growth in the real exchange rate of the ruble

## Monitoring of Russia's economic outlook

against the U.S. dollar in Q1 2026 relative to Q1 2025 amounted to 21.8% – a very significant strengthening, indicating a relative decrease in the cost of imported goods.<sup>1</sup>

The services trade balance in Q1 2026 stood at -\$8.7 bn, which, in absolute terms, is 14.5% higher than the deficit in Q1 2025, which stood at -\$7.6 bn a year ago. Moreover, there was an increase in both exports (by 10%, from \$10.3 bn in the Q1 of 2025 to \$11.3 bn in Q1 of 2026) and, to a greater extent (due to the strengthening of the national currency), imports (by 11.7%, from \$17.9 bn in Q1 2025 to \$20 bn in Q1 2026).

The balance of primary and secondary income has generally stabilized following a continuous steady decline since 2022. In Q1 2026, it stood at -\$4.4 bn, which is 6.4% lower in absolute terms than the corresponding figure in Q1 2025 (-\$4.7 bn) (from \$8.1 bn to \$8.7 bn) and income payable (from \$12.8 bn to \$13.1 bn), which led to a reduction in the balance in absolute terms.

In the coming quarters, imports in value terms are likely to grow due to the need to maintain purchases of capital and intermediate goods, rising global prices, and the strengthening of the national currency. Exports in value terms will also grow, as prices for Russia's key export commodities (oil, petroleum products, metals, and grains) will remain above 2025 levels. Overall, by the end of 2026, the current account balance is expected to reach \$30–35 bn.

The financial account of the Russian Federation's balance of payments consists of aggregated data on the net external assets and liabilities of all sectors of the economy. In Q1 2026, the deficit of the financial account of the balance of payments, excluding reserve assets, amounted to \$14.5 bn, whereas in Q1 2025 it stood at \$16.8 bn. The lower net capital outflow resulted from a decrease in the volume of foreign asset purchases abroad, accompanied by a simultaneous reduction in the volume of foreign investment in Russia.

Foreign assets (excluding the Russian Federation's reserve assets) increased by \$15.6 bn in Q1 2026, which is 22.4% less than in Q1 2025, when they grew by \$20.1 bn. Liabilities of all sectors of the Russian economy to non-residents increased by \$1.1 bn in Q1 2026, whereas in Q1 2025 they rose by \$3.3 bn. The net capital outflow was driven primarily by the Russian corporate sector's provision of ruble-denominated loans to non-residents from friendly countries, as well as by an increase in non-residents' trade receivables amid rising export value, with no change in settlement lags. At the same time, outbound and inbound direct investment volumes were close to zero. Regarding equity instruments, there was an increase in investments abroad, while the growth rate of non-resident investments in the capital of Russian companies slowed.<sup>2</sup>

The Russian Federation's reserve assets decreased by \$6.7 bn in Q1 2026 (\$5.9 bn in Q1 2025) due to foreign currency sales as part of transactions involving the National Wealth Fund. As of the end of the first quarter of 2026, the Russian Federation's international reserves stood at \$749.0 bn.

The ruble-to-dollar exchange rate weakened by 3.9% quarter-on-quarter to Rb81.3 per dollar in Q1 2026 (-2.9% y/y); however, by April, taking into account the lags in the inflow of foreign exchange earnings into the domestic market from the increased value of Russian exports, the exchange rate strengthened by

1 On the impact of exchange rate dynamics on trade, see: *Knobel, A.Y. Estimation of Import Demand Function in Russia // Applied Econometrics*. 2011. No. 4 (24). pp. 3–26; *Knobel, A., Firanchuk, A. Russia in Global Exports in 2017 // Russia's Economic Development*. 2018. No. 9. pp. 17–21.

2 Assessment of the Balance of Payments of the Russian Federation / No. 5 (26) Q1 2026 (Bank of Russia).

## Balance of payments in Q1 2026

7.9% m/m to Rb74.9 per dollar at the end of April (-8.2% y/y). High ruble interest rates continued to support the ruble, but this effect will gradually diminish as monetary policy is expected to ease.

In Q1 2026, the volume of the Russian Ministry of Finance's net foreign currency sales on the domestic foreign exchange market as part of regular operations under the budget rule (in the amount of additional oil and gas revenues) amounted to Rb418.9 bn (operations were suspended in March) following Rb140.1 bn in Q4 2025 due to a decline in the average export price of oil to \$42.8/barrel from \$45.9/barrel in Q4 2025. In Q1 2026, the Bank of Russia sold an additional Rb254.1 bn worth of foreign currency as part of mirroring the investment of NWF funds into permitted financial assets. Given that the current price of oil exceeds the cut-off price under the budget rule, the ruble-supporting effect of the Russian Ministry of Finance's operations will diminish in the near future.

As oil prices decline with the stabilization of the situation in the Middle East, and taking into account the monetary, fiscal, and tax policies being implemented in 2026, the ruble exchange rate will average Rb75–85 per dollar. At the same time, if geopolitical tensions in the Persian Gulf countries persist, the ruble may strengthen. ▲