

# Goldman Sees Market at \$3.5 Trillion in 2021

By [The Moscow Times](#)

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Goldman Sachs predicts that Russian stocks will more than triple in value in the next 10 years to \$3.5 trillion as economic growth boosts companies outside the oil, gas and metals industries.

The market capital of companies outside the commodities industry would climb more than sixfold to \$2 trillion in 10 years, assuming a market value equivalent to 80 percent of gross domestic product as in Brazil, Goldman analysts led by Sergei Arsenyev wrote in a report Thursday. Such companies currently account for 30 percent of Russia's equity market, Goldman said.

"There is a significant mismatch between the current composition of GDP and that of the public market," they wrote. The "tremendous GDP growth potential" in the coming 10 years will be "skewed toward non-resource sectors, as natural resource wealth starts to flow into consumer spending and infrastructure investment."

President Dmitry Medvedev said in January that the country needs growth of 10 percent within five years to pull the world's biggest energy supplier into line with emerging-market peers in China, Brazil and India. GDP expanded 4 percent in 2010 after shrinking 7.8 percent a year earlier, its steepest contraction on record.

"The structural themes that will shape Russia's development over the next decade are already becoming a driver of primary equity issuance," the analysts wrote. "Post-crisis IPOs and secondary offerings have been disproportionately skewed toward the broader consumer sector."

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