

It's Official: Russia's Recession Is Over (Thanks to Some Creative Statistics)

April 04, 2017



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It's official: Russia's economic recession is over. But instead of congratulating the Kremlin or praising Russian businesses, concerned citizens might want to thank Russia's state statistics agency, Rosstat.

According to the Rosstat's latest calculations, Russia's Gross Domestic Product (GDP) increased in the fourth quarter of 2016.

The good news ends there. The reversal of Russia's negative growth trend is only reflected in quarterly breakdowns. On the whole, the Russian economy contracted by 0.2 percent in 2016. Positive growth was only registered in the fourth quarter, where GDP grew by 0.3 percent compared over the same period in 2015.

This is because the upturn doesn't mark a shift in the Russian economy, but a change in how Rosstat calculates GDP. The agency now gives industries such as mining greater weight in its

calculations, [Rosstat chief Alexander Surinov told the Vedomosti newspaper.](#)

These new

calculations will also see small businesses contributing more to GDP, with their weighting boosted from by 0.5 percent to 19.9 percent.

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“The revision has not changed the whole picture or our expectations for economic growth,” Sberbank CIS senior economist Rodion Lomivorotov told The Moscow Times. “The economy continued to stagnate in 2016 and economic growth will remain sluggish in the first half of 2017, before slightly accelerating in the second half.” Sberbank continues to forecast economic growth of less than one percent in 2017, Lomivorotov said.

Rosstat is not the first organization to declare an end to recession. Russia’s Central Bank announced that the recession had ended in the second quarter of 2016, with growth recorded in the third and fourth quarters. The bank is now forecasting growth of between 0.4 and 0.7 percent growth in the first quarter of 2017, Vedomosti reported.

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