

Russian Economy Won't Reach Pre-Coronavirus Level Until 2024

Recovery will be among the world's slowest.

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Russia's economy is around the same size it was in 2012, the Economist Intelligence Unit estimated.
Sergei Bobylev / TASS

The Russian economy will not return to its pre-coronavirus level until the end of 2024, analysts at the Economist Intelligence Unit (EIU) [forecast](#).

Russia will be one of the slowest recovery stories in the world, the EIU predicts, with all the other BRICS nations — Brazil, India, China and South Africa — expected to recover faster.

Of the G7 advanced economies, only Japan — which has seen perennially low growth rates for the last two decades — will match Russia in terms of the weakness of its recovery, with both finally hitting pre-coronavirus levels in the final quarter of 2024.

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“Japan is a rich, developed country that will be able to weather the economic crisis. However, less affluent countries such as Brazil, Russia and South Africa will find themselves in a much more precarious situation,” the report said.

The EIU believes that Russia’s economy shrank by more than 15% in the second quarter of 2020 — more than the Central Bank’s [estimate](#) of a 10% contraction.

The Russian government has [delayed](#) its flagship \$360 billion national economic development plan by six years in the wake of the coronavirus — a signal that goals such as faster economic growth, lower poverty and higher investment were unattainable by the original 2024 target.

A faster recovery could also be thwarted by government frugality. Bloomberg [reported](#) Wednesday that the Kremlin is looking to cut spending from around \$322 billion in 2020 to \$280 billion in 2021, in order to start restoring the government’s balance sheet after the coronavirus hit.

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