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Russia's Quarterly GDP May Have Declined in Q1 for First Time Since 2022, Experts Say

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Yuri Smityuk / TASS

Russia's quarterly GDP may have shrunk between January and March for the first time in nearly three years, the Vedomosti business newspaper reported Tuesday, citing analysts.

The forecasted contraction comes amid government efforts to cool an overheating, war-fueled economy and curb surging inflation. President Vladimir Putin last week described the measures as a "planned corrective," though some economists have warned of possible overcorrection.

Raiffeisen Bank estimates that Russia's non-seasonally adjusted GDP declined by 0.3% between January and March, following a 1.3% increase in the previous quarter. Bloomberg economist Alexander Isakov projected an even steeper quarterly contraction of 0.6% to 1.5%.

Analysts cited weak industrial output and low oil prices as key drivers of the downturn.

Official economic data will be published on May 16. If the projected contraction is confirmed, the figures would mark the first quarterly decline since the second quarter of 2022.

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Meanwhile, Russia's Economic Development Ministry estimates seasonally adjusted year-on-year growth of up to 2% for the first quarter — a figure that could be revised after the state statistics agency Rosstat releases official data.

The ministry expects GDP to grow by 2.5% in 2025, down from 4.3% in 2024. Analysts say the projection is overly optimistic.

Russia's Central Bank forecasts more modest annual growth of 1–2%.

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