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Putin Hails ‘Positive’ Economic Growth in March Despite Sharp Downgrade in Annual Forecast

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Vladimir Putin. **kremlin.ru**

President Vladimir Putin said Friday that government measures to stabilize the Russian economy have begun yielding “positive results,” even as the Kremlin this week slashed its annual growth outlook by two-thirds.

During a televised meeting with officials, Putin highlighted 1.8% growth in gross domestic product, which measures all the goods and services produced in the economy, for the month of March.

“The measures and decisions the Russian government implemented recently have begun to yield a certain — let’s put it cautiously, but still — positive result,” the president said without specifying what actions had contributed to the month-on-month increase in economic activity.

He urged his cabinet to focus on “substantial and sustainable” growth, pointing to modest upticks in wholesale trade, retail and industrial production.

Still, the Russian economy contracted by 0.5% in annualized terms between January and March, according to a medium-term forecast published by the Central Bank last week, marking its first quarterly decline since 2023.

Putin’s remarks also come just days after the government released a grim update to its 2026 economic outlook. Policymakers now expect GDP to grow by just 0.4% this year, a significant decrease from their previous estimate of 1.3%.

The revision signals that officials are bracing for a prolonged slowdown as the country grapples with high inflation, labor shortages and the fiscal strain of the war against Ukraine, now in its fifth year.

Russia’s Central Bank remains slightly more optimistic but still cautious, maintaining its 2026 growth forecast between 0.5% and 1.5%.

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