

Meeting on economic issues • President of Russia



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At a meeting on economic issues via videoconference.

Prime Minister Mikhail Mishustin, Chief of Staff of the Presidential Executive Office Anton Vaino, First Deputy Prime Minister Andrei Belousov, First Deputy Chief of Staff of the Presidential Executive Office Alexei Gromov, Deputy Chief of Staff of the Presidential Executive Office and Presidential Press Secretary Dmitry Peskov, Aide to the President – Head of the Presidential Speechwriting Office Dmitry Kalimulin, Aide to the President Maxim Oreshkin, Minister of Labour and Social Protection Anton Kotyakov, Minister of Industry and Trade Denis Manturov, Minister of Economic Development Maxim Reshetnikov, Minister of Finance Anton Siluanov, Central Bank Governor Elvira Nabiullina and Moscow Mayor Sergei Sobyenin took part in the meeting.

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President of Russia Vladimir Putin: Good afternoon, colleagues,

Today, as is customary, we will discuss the state of affairs in the economy. As a group, we meet regularly to discuss this matter. Even though we have been meeting in this format for a while now, today's situation is, clearly, unusual.

So, we will need to look into and carefully analyse the most recent trends in our economy and discuss forecasts.

Obviously, just like in other countries, our economy and businesses are facing serious pressure. The coronavirus epidemic has already affected and continues to adversely affect business and entrepreneurial activities as well as the dynamics of the labour market.

Many cooperation, trade, and economic ties have been severed. A very short while ago, as you may have seen, I discussed this with our colleagues – heads of state that are our closest partners, our EAEU partners. Everyone is concerned with these problems.

As I mentioned, many cooperation, trade and economic ties have been severed. Due to the mandatory restrictive measures, the companies were forced to change their usual schedules. The situation is especially tough for small- and medium-sized businesses, as well as for the services sector.

The most sensitive problem for companies – both here and in other countries – is a reduction in demand. Thus, retail sales decreased by more than 35 percent in April in Russia. This indicates how sharply, almost immediately, the market contracted. And for many enterprises this is a great shock.

Another integral indicator of the state of the economy is energy consumption. Unfortunately, the dynamics are also negative. For the first 12 days of April, electricity consumption decreased by 5 percent compared to the same period last year. That is, enterprises began to use their capacities less.

In addition, lending to the real economy has come to a virtual standstill. And this means that many companies' investment plans, and enterprises' development and renewal programmes are on hold.

It should be noted that in the first week of April, banks, including major banks, saw a sharp drop in the number of new mortgage loans. This cannot but affect the construction industry and related sectors. Actually, there is nothing unexpected for us here. We understood how the situation would develop. This is a shock for enterprises, but for the management system there should not be any shock. We knew what would happen, and even understood the time frame in which we would face these difficulties.

A number of solutions to support the economy, business, and small and medium-sized enterprises have already been announced and are being implemented. But the situation requires additional steps commensurate with the new challenges. We have the necessary resources, tools and reserves for an active anti-crisis policy – I have already talked about this. It is necessary to use them as efficiently as possible and with tangible results for the economy, and therefore for citizens.

Last week, the Government was instructed to develop a programme to support business, with particular emphasis on maintaining employment and people's incomes. Earlier, I also asked for measures to be worked out to ensure sustainable lending to the real sector of the economy.

Today we will discuss all these specific proposals.

Let us get down to work.

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