

PRESS RELEASE

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Russian economy going nowhere until relations with West and Ukraine improve

The Russian economy faces a prolonged period of low growth. Without normalisation of relations with Ukraine and the EU, there will be no end to the vicious circle of sanctions, trade protectionism, and lack of investment and economic diversification. These are the main conclusions of a new policy brief – ‘*Russia’s Reform Failures and Putin’s Future Challenges*’ – published by wiiw ahead of the upcoming Russian presidential election.

A continued lack of progress in attracting investment and economic diversification would likely lead to further economic and social stagnation in Russia. This could trigger a dangerous destabilisation within Russia, and eventually also in its neighbouring regions.

‘The first step towards improving the economic situation must be a credible and lasting ceasefire in the Donbass’, said Peter Havlik, the report’s author and wiiw expert for Russia. ‘That would start Russia on a path towards the lifting of Western sanctions, which is crucial in order to kick-start the urgently needed significant modernisation and diversification of the economy. We have severe doubts, however, about whether Vladimir Putin and those around him will be able to deliver on this during the next presidential term.’

Background information:

‘*Russia’s Reform Failures and Putin’s Future Challenges*’ by Peter Havlik
wiiw Policy Notes and Reports No. 20, 15. March 2018

Free download under: <http://wiiw.ac.at/p-4448.html>

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