

Scenarios of long-term development of Russia up to 2020

● Inertial:

- Preservation of the current “energy and raw materials” model, slowdown in production and exports of hydrocarbons;
- Decline in competitiveness of manufacturing industries, growing dependence on imports of goods and technologies;
- Average growth rate of 3.2% per annum in 2011-2020.

● Energy and raw materials:

- Accelerated development and modernisation of the energy and raw materials sector and transport;
- Partial modernisation of hi-tech sectors, no significant high value-added exports;
- Average growth rate of 5.3% per annum in 2011-2020.

● Innovative:

- Creation of efficient national innovation system;
- Human capital development, economics of knowledge;
- New regional development centres;
- Average growth rate of 6.4% per annum

Russia 2020: Main structural indicators of different scenarios

	Inertial	Energy	Innovation
Transport Investment Expansion of the road network	<ul style="list-style-type: none"> ● Stabilisation - 2,1% GDP ● 3-5 thous. km per annum after 2010 	<ul style="list-style-type: none"> ● Growth – 2,7-3% GDP ● 4-8 thous. km per annum 	<ul style="list-style-type: none"> ● Growth –3,7-4% GDP ● 10-14 thous. km per annum
Energy Price of gas and electricity Gas production Electricity production Oil extraction	<ul style="list-style-type: none"> ● 150 USD; 7.2 cent per kWh ● Growth up to 815 bn. m3 ● 1495 bn. kWh ● Stagnation: 500 mln. ton. from 2015 	<ul style="list-style-type: none"> ● 137 USD; 10,5 cent per kWh ● Growth up to 900 bn. m3 ● 1710-1715 bn. kWh ● Growth: 545 mln. ton in 2020 	<ul style="list-style-type: none"> ● 137 USD; 9,5 cent per kWh ● Growth up to 880 bn. M3 ● 1665 bn. kWh ● Growth: mln. ton in 2020
Innovation Expenditure on R&D Exports of machinery	<ul style="list-style-type: none"> ● 1% of GDP ● up to 40 USD bn 	<ul style="list-style-type: none"> ● 2% of GDP ● 60-80 USD bn 	<ul style="list-style-type: none"> ● 4% of GDP ● 125-130 USD bn
Human capital Expenditure on education Expenditure on health	<ul style="list-style-type: none"> ● 4,6% of GDP ● 6% of GDP 	<ul style="list-style-type: none"> ● 4,9% of GDP ● 5,8% of GDP 	<ul style="list-style-type: none"> ● 5,5% of GDP ● 6,3% of GDP
External sector Exports and imports FDI	<ul style="list-style-type: none"> ● 453,4 и 461 USD bn ● 2,5% of GDP 	<ul style="list-style-type: none"> ● 569,3 и 632,4 USD bn ● 3,5% of GDP 	<ul style="list-style-type: none"> ● 602,8 и 710,5 USD bn ● 3,5% of GDP

Innovative development path

- Large-scale investment in human capital:
 - Increased state investment in education and health, R&D;
 - tax mechanisms to encourage private investment in developing human capital: exemption from taxation of spending on education, medical insurance, and co-financed pension schemes (for companies and individuals).
- Economic objectives:
 - a four-fold increase in labour productivity over the next 12 years;
 - developing new sectors that are able to compete globally: aircraft manufacturing, shipbuilding and energy; information, medical and other new technologies;
 - to build new and modernise existing roads, railway stations, ports, airports, electricity stations and communications systems;
 - to develop the financial infrastructure; Russia should become one of the world's leading financial centres.
- Social objectives:
 - to bring about > 1.5-fold reduction in the mortality rate;
 - to raise life expectancy to 75 years (65.3 in 2005; below 60 for men);
 - to reduce income inequality without removing incentives;
 - to increase the share of middle-class to 60-70% of population