

MONITORING OF CHANGES: MAIN TRENDS

ECONOMY OF THE NORTHWEST OF RUSSIA IN NOVEMBER 2025: GROWTH OF HOUSEHOLD INCOMES AND INVESTMENTS AMID A SLOWDOWN IN BUSINESS ACTIVITY

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Vologda Research Center of the Russian Academy of Sciences (VolRC RAS) continues to acquaint its readers with materials on the state and development trends of the economy of the Northwestern Federal District (NWFD) against the backdrop of all-Russian dynamics.

ACKNOWLEDGMENT

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According to Rosstat data, the Russian economy posted a 0.6% GDP increase in Q3 2025 (compared to 3.1% a year earlier; Fig. 1). The Ministry of Economic Development estimated Russia's GDP growth for January–November 2025 at 1.0%¹. Based on fresh forecasts from leading domestic analytical centers, the growth of Russian GDP for the

full year 2025 is expected to be around 0.5–1%².

🔴 Changes in the Business Confidence Index (BCI) signal the formation of broadly negative expectations among the country's enterprises. In December 2025, the BCI level for the mining and manufacturing industries dropped to -4.4 and -0.3, respectively (significantly higher a year earlier at -0.2 and 6.7, respectively; Fig. 2). In the services sector, the indicator in Q4 2025 stood at -4 compared to -3 a year earlier. The Business Confidence Index in construction rose by 2 p.p. in Q4 2025, yet remained the lowest among the listed sectors at -12%.

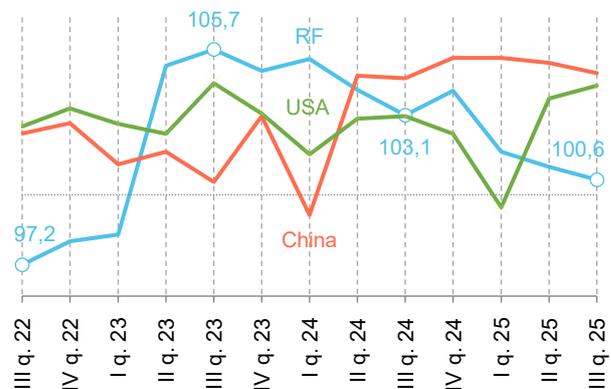


Figure 1. Gross Domestic Product (GDP) Dynamics, % year-on-year

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¹ Here and elsewhere in the text (unless otherwise stated), January–November 2025 is compared with January–November 2024.

² Fuel for Development. Available at: <https://www.kommersant.ru/doc/8269466> (accessed: 19.01.2026).

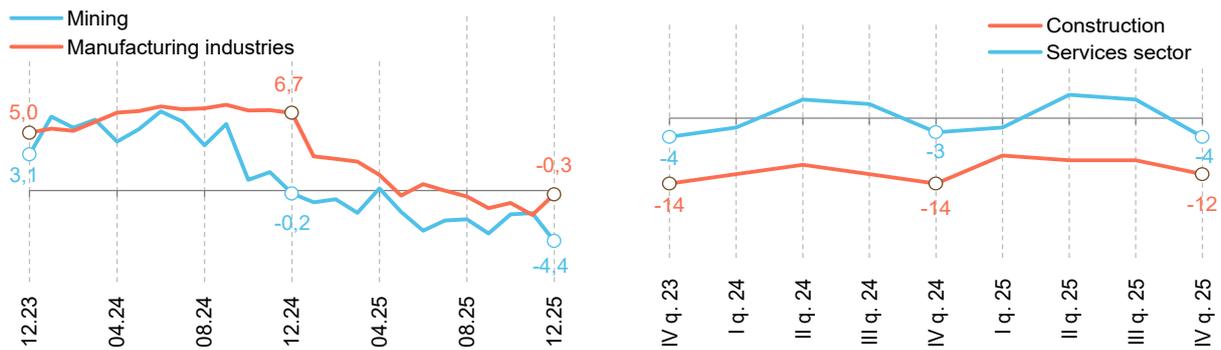


Figure 2. Business Confidence Index, %

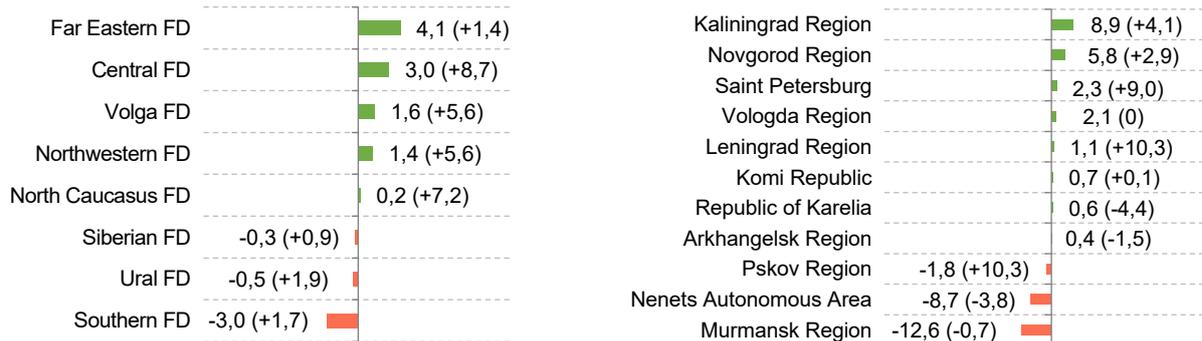


Figure 3. Growth in Output of Goods and Services for Basic Economic Activities* in January-November 2025 by Federal District and NWFD regions, % change from January-November 2024

*Basic economic activities include crop and animal production, hunting, and related service activities; mining and quarrying; manufacturing; electricity, gas, steam, and air conditioning supply; water supply, sewerage, waste management, and remediation activities; construction; wholesale trade (except for motor vehicles and motorcycles); retail trade (except for motor vehicles and motorcycles); transportation.

Note: Figures in parentheses show the change in the indicator for January-November 2024, % change from January-November 2023.

Optimism regarding prospects for 2026 among manufacturers in the processing industry fell to its lowest level since May 2022 amid concerns about declining demand. However, among those whose expectations remained optimistic, they are primarily linked to hopes for a recovery in sales and planned new investments⁵.

1. Gross Output

⬆️ The output of goods and services for basic economic activities in the Northwestern Federal District (NWFD) as a whole increased by 1.4% (Fig. 3). Most regions in the district showed growth in this indicator, with Kaliningrad and Novgorod regions leading (up 8.9% and 5.8%, respectively). At the same time, a decline in

the output of goods and services was noted in Murmansk Region, the Nenets Autonomous Area, and Pskov Region (down 12.6%, 8.7%, and 1.8%, respectively).

⬆️ Industrial production volume in the NWFD contracted by 0.1%, which may be partly attributed to a significant increase a year earlier (up 8.1%; Russian industry demonstrated a 0.8% increase in output for January-November 2025; Table 1). **Mining** in the NWFD accelerated the observed decline in output, now in its third consecutive year, falling by 4.5% (compared to a 1.5% decline nationwide). The performance of this sector in the NWFD was the worst among all federal districts. The contraction in mining affected enterprises in almost all

⁵ Business Activity Index in Manufacturing Sectors Declined in Russia. Available at: <https://www.rbc.ru/economics/29/12/2025/69525a929a79476c816a5f34> (accessed: 19.01.2026).

**Table 1. Industrial Production Dynamics,
% year-on-year**

Territory	11 months of 2023	11 months of 2024	11 months of 2025	p*
Industry as a whole				
Russian Federation	104.3	105.1	100.8	-
Northwestern FD	104.9	108.1	99.9	4
Kaliningrad Region	95.1	100.9	110.3	6
Novgorod Region	101.8	103.7	109.0	7
Saint Petersburg	112.5	118.6	103.8	20
Vologda Region	106.2	101.0	102.1	28
Arkhangelsk Region	101.4	101.3	97.8	57
Pskov Region	110.3	111.1	97.7	58
Komi Republic	99.9	100.2	97.2	63
Leningrad Region	108.3	111.0	95.9	68
Nenets Autonomous Area	93.5	97.4	95.5	71
Republic of Karelia	99.5	99.4	94.8	74
Murmansk Region	94.9	101.7	89.4	82
Mining				
Russian Federation	99.0	99.4	98.5	-
Northwestern FD	97.3	99.0	95.5	8
Republic of Karelia	101.1	98.1	100.1	28
Murmansk Region	104.7	94.6	99.8	30
Komi Republic	99.2	100.8	96.1	54
Leningrad Region	108.9	99.7	95.6	58
Nenets Autonomous Area	93.3	97.2	95.5	59
Vologda Region	85.8	102.1	95.2	61
Kaliningrad Region	95.6	97.6	95.2	61
Novgorod Region	90.4	83.7	88.1	73
Pskov Region	96.0	107.0	87.2	76
Arkhangelsk Region	95.4	97.5	78.2	83
Saint Petersburg	84.4	147.2	72.9	84
Manufacturing industries				
Russian Federation	109.0	109.2	102.6	-
Northwestern FD	108.3	111.3	101.4	3
Kaliningrad Region	95.5	100.1	113.4	6
Novgorod Region	102.4	103.6	109.8	9
Saint Petersburg	114.7	120.8	104.9	16
Vologda Region	106.1	101.2	102.8	25
Komi Republic	103.0	98.0	102.5	27
Nenets Autonomous Area	109.1	123.5	102.1	28
Arkhangelsk Region	102.6	102.1	101.9	29
Pskov Region	107.6	111.0	101.2	35
Leningrad Region	111.7	110.5	94.9	69
Republic of Karelia	97.9	99.7	90.2	78
Murmansk Region	89.8	105.0	82.8	83

* Here and hereafter, the rank of the respective region among the subjects of the Federation (for the NWFD – among federal districts) by the dynamics of the indicator in January–November 2025 is shown (unless otherwise specified). Statistical information for the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye, and Kherson regions is not considered.

constituent entities of the district, most notably in Saint Petersburg, Arkhangelsk, and Pskov regions (down 27.1%, 21.8%, and 12.8%, respectively). The Republic of Karelia was an exception, registering a 0.1% increase in mining output.

📈 **Manufacturing** in the NWFD increased output by 1.4% (compared to 2.6% nationwide; a year earlier, the Northwest recorded an 11.3% rise). Most regions in the district demonstrated positive dynamics in this sector, with Kaliningrad and Novgorod regions, as well as Saint Petersburg, posting production growth of 13.4%, 9.8%, and 4.9%, respectively. Conversely, output in this sector fell in Murmansk Region, the Republic of Karelia, and Leningrad Region by 17.2%, 9.8%, and 5.1%, respectively. The intra-sectoral production dynamics in the NWFD's manufacturing industry are characterized by slowing growth.

📈 Enterprises in the **intermediate demand manufacturing sector** of the NWFD increased their output. Specifically, the production of coke and petroleum products grew by 6.1%, medicinal substances and materials by 2.2%, and rolled metal and chemical products by 1.9% (Fig. 4). At the same time, the indicator for the wood processing industry declined by 3%.

The Kommunar Paper Mill (Leningrad Region) launched Russia's first production of glassine (an ultra-thin paper – a paper base in demand for label production and printing) and also commenced production of decorative impregnated base paper used in the manufacture of furniture boards and laminated plywood. The mill plans to produce up to 300 tons of glassine for tracing paper annually. Previously, such paper was not manufactured in Russia and was imported from European countries. Total investment in the new production line exceeded 1.2 billion rubles, of which 800 million rubles were

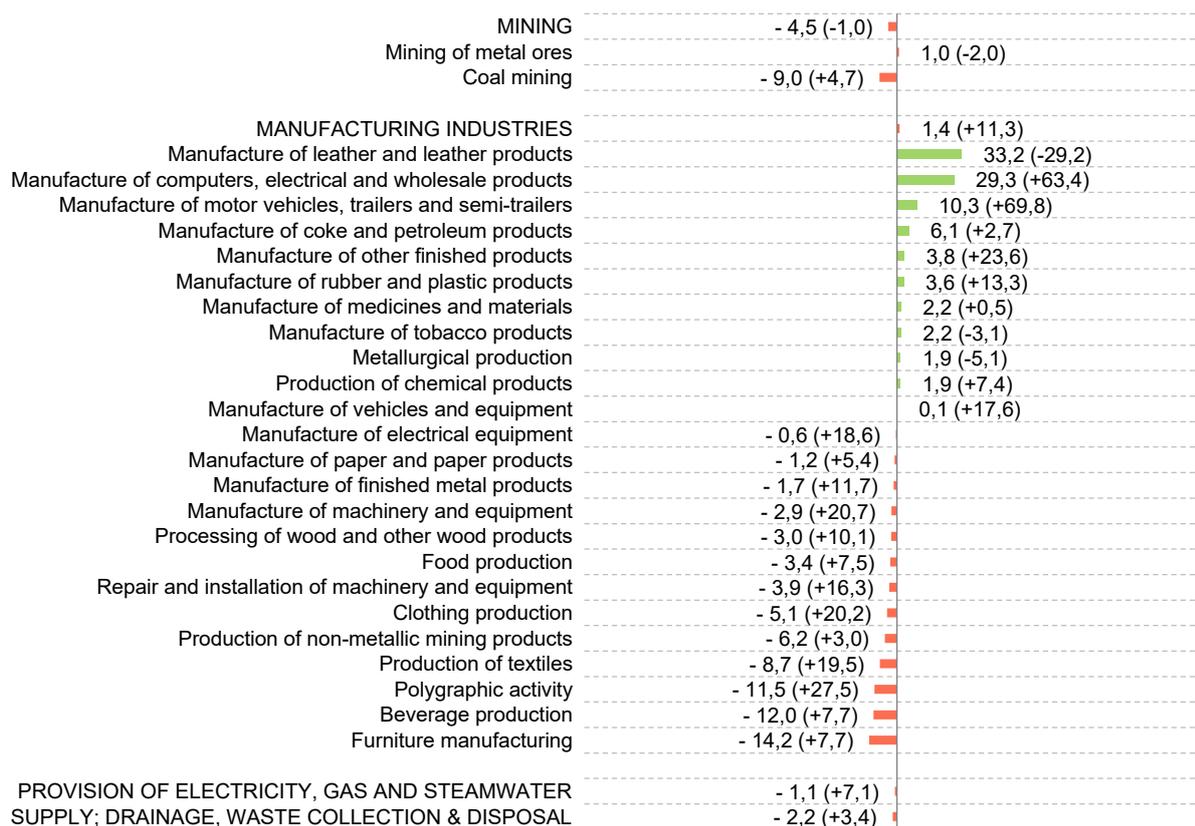


Fig. 4. Growth in Industrial Production Volumes in the NWFD, January-November 2025, % change from January-November 2024

Note: Figures in parentheses show the change in the indicator for January-November 2024, % change from January-November 2023.

provided by the federal Industrial Development Fund as a concessional loan under the flagship "Development Projects" program. In total, 70 units of new high-tech equipment were installed at the enterprise. This has enabled the mill to produce paper with a density below 25 g/m² for the first time, whereas this was previously the minimum for the facility⁴.

▲ A number of industries in the **final demand manufacturing sector** of the NWFD also showed production growth. In particular, output of leather and leather products increased substantially by 33.2% (following a 29.2% contraction the previous year), furniture

by 14.2%, other finished goods by 3.8%, and rubber and plastic products by 3.6%. However, production of beverages and food products decreased by 12% and 3.4%, respectively, textiles by 8.7%, and clothing by 5.1%.

On October 17, the new production site of the Pskov-Polymer factory (Nordman brand; Pskov Region) was opened. Prior to the opening, the building, originally constructed during the Soviet era, underwent extensive renovation. It is now a modern, high-tech production workshop that will allow the factory to expand its production capacity⁵.

⁴ In Leningrad Region, a Borrower of the Industrial Development Fund Established Russia's First Production of Tracing Paper Base. Available at: <https://frprf.ru/press-tsentr/novosti/v-leningradskoy-oblasti-zaemshchik-frp-naladil-pervoe-v-rf-proizvodstvo-bumagi-osnovy-dlya-kalki> (accessed: 17.01.2026).

⁵ The Pskov-Polymer Shoe Factory Opened a New Production Site. Available at: https://vk.com/wall-223901399_195 (accessed: 17.01.2026).

⬆️⬇️ In the **investment demand manufacturing sector industries** of the NWFD, the picture was mixed: against a backdrop of declining production of other non-metallic mineral products, and machinery and equipment (down 6.2% and 2.9%, respectively), a positive development was the high growth rate of output for computers, electronic and optical products, as well as motor vehicles, trailers, and semi-trailers (up 29.3% and 10.3%, respectively, following growth of over 60% a year earlier).

At the Nartis plant (Vologda Region), three new automated lines for the production of smart electricity meters were inaugurated. Automation has improved product quality and increased production capacity from 3,400 to 4,800 meters per day. Within two and a half years, the plant has become one of the region's leaders in revenue. In 2024 alone, the enterprise generated revenue exceeding 25 billion rubles. The new workshop is expected to employ approximately 200 workers⁶.

During the Saint Petersburg International Gas Forum, a ceremonial opening was held for a new workshop producing burner units at the Cherepovets Boiler Plant "NORD" (Vologda Region). The launch of production is recognized as a strategic step for the domestic energy sector. The new workshop, spanning 1,450 square meters, will have

a capacity to produce up to 300 burners of various models per year, with plans to increase output to 500 units next year. The products will be used both for equipping NORD's own boilers and for supplying external customers⁷.

A new workshop of OOO "Armaturz" (a pipeline fittings manufacturer, part of OOO "Nauchno-Proizvodstvennyy Kontsern "KOMPENZ") was opened at the "Gagarin" technopark located in Pankovka (Novgorod Region). The investment project to create a modern production complex for pipeline fittings was signed in June at SPIEF 2025. The investment amounts to approximately 0.5 billion rubles and is expected to create about 200 jobs. The workshop opening is one of the stages of the project's implementation. The new workshop has already employed around 50 residents of Novgorod⁸.

📍 **Agriculture** in the NWFD maintained its previous year's production volumes in January-September 2025 (while Russia saw a 2% increase in output; *Table 2*). Most constituent entities of the district recorded growth in agricultural production, including Vologda, Novgorod, and Arkhangelsk regions, where it increased by 3.6%, 2.1%, and 1.7%, respectively. However, in a number of regions, agricultural output declined, most notably in Murmansk Region (by 15.2%).

⁶ In Cherepovets, Robots Will Help Make Smart Electricity Meters. Available at: <https://cherinfo.ru/news/142717-v-cherepovce-roboty-pomogut-delat-umnye-elektroscheciki> (accessed: 17.01.2026).

⁷ A New Workshop for Burner Unit Production Launched in Cherepovets. Available at: <https://vologdaregion.ru/news/2025/10/9/v-cherepovce-zapustili-novyy-ceh-po-proizvodstvu-gorelochnyh-ustroystv> (accessed: 17.01.2026).

⁸ Novgorod Machine Builders Erected a New Workshop in 8 Months, Now Will Tackle an Office. Available at: <https://gazetanovgorod.ru/novosti/novgorodskie-mashinostroiteli-za-8-mesyaczev-vozveli-novyj-czeh-a-teper-vozmutsya-za-ofis.html> (accessed: 17.01.2026).

Trends in Industrial and Agricultural Production Development for 2023–2026, % relative to 2018 level

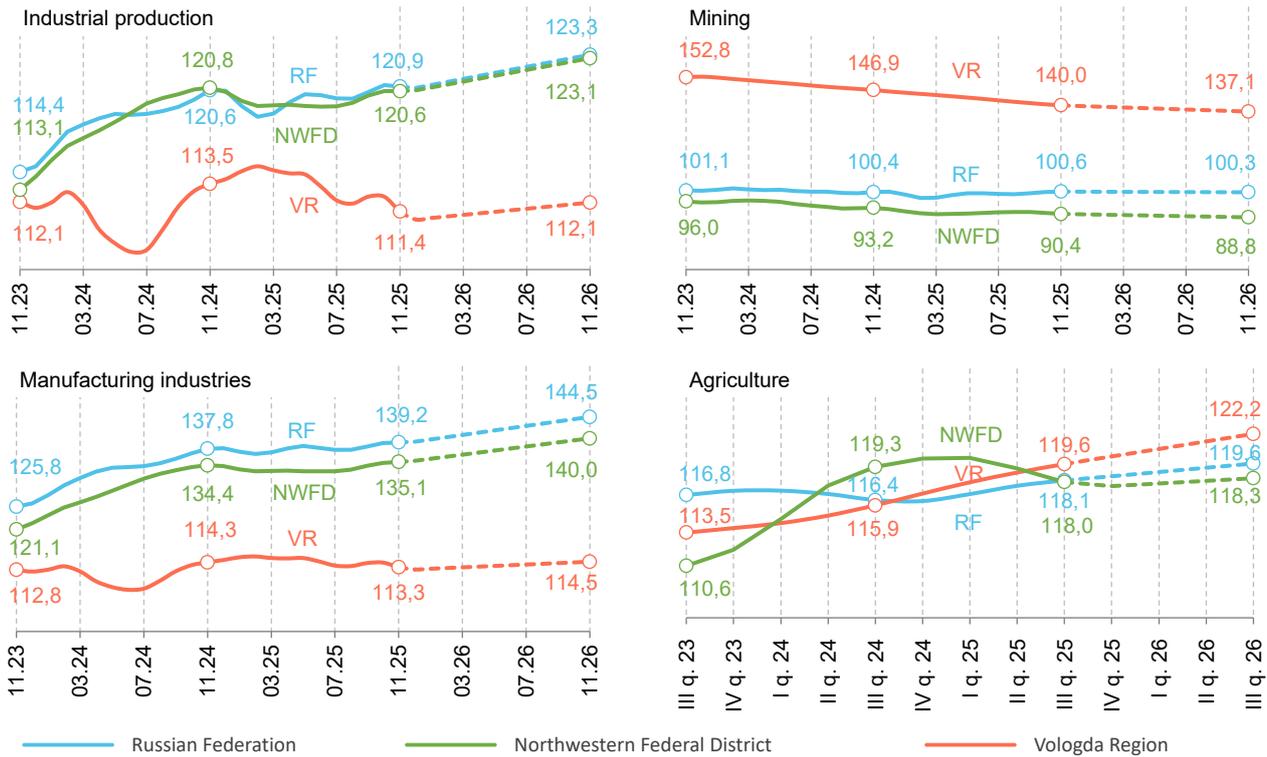


Table 2. Agricultural Production Dynamics, % year-on-year

Territory	9 months of 2023	9 months of 2024	9 months of 2025	P*
Russian Federation	101.2	97.9	102.0	-
Northwestern FD	101.7	106.7	100.0	5
Vologda Region	102.5	100.6	103.6	31
Novgorod Region	102.3	99.0	102.1	38
Arkhangelsk Region	101.6	99.7	101.7	43
Komi Republic	99.5	98.7	100.5	52
Kaliningrad Region	102.2	109.7	100.3	53
Republic of Karelia	101.0	97.9	100.1	55
Leningrad Region	101.9	102.0	99.8	57
Nenets Autonomous Area	102.0	91.5	98.4	64
Pskov Region	100.4	130.1	96.6	69
Murmansk Region	104.2	101.7	84.8	81

*The rank of the corresponding region among the subjects of the Federation (according to the Northwestern Federal District – among the federal districts) is given according to the dynamics of the indicator in January – September 2025, excluding statistical information on the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye and Kherson regions.

Positive developments in the *labor market* have slowed.

➤ The unemployment rate in the NWFD in September–November 2025 continued to decline, reaching 1.9% (compared to 2.2% nationwide; *Table 3*). A decrease in the indicator was recorded in most of the district's regions, with the exception of Saint Petersburg, Leningrad, and Murmansk regions, where the unemployment rate remained at last year's level.

➤ The volume of employer demand for employees registered with employment services in the NWFD showed an increase of 3% (compared to 2.5% nationwide). Growth in this indicator was recorded in half of the district's regions; specifically, in Pskov Region, the Nenets Autonomous Area, and Leningrad Region, it amounted to 10.4%, 7.9%, and 6.9%, respectively. Conversely, a decrease in the number of registered vacancies was recorded in the other NWFD regions, equaling 11.1% in Murmansk Region and 6.4% in Arkhangelsk Region.

**Table 3. Labor Market Dynamics,
% year-on-year**

Territory	Sept.- November 2023	Sept.- November 2024	Sept.- November 2025	P*
Unemployment Rate, % of the number of the employed				
Russian Federation	3.0	2.3	2.2	-
Northwestern FD	2.5	2.1	1.9	4
Novgorod Region	1.8	1.2	1.0	4
Saint Petersburg	1.5	1.5	1.5	19
Vologda Region	2.6	1.9	1.7	33
Kaliningrad Region	2.9	2.3	1.9	46
Pskov Region	2.6	2.3	2.1	56
Arkhangelsk Region	5.5	2.6	2.4	61
Murmansk Region	2.7	2.5	2.5	63
Komi Republic	4.3	3.3	2.7	64
Republic of Karelia	5.2	3.5	2.8	67
Leningrad Region	2.7	2.8	2.8	68
Nenets Autonomous Area	6.0	4.6	3.9	77
Territory	9 months of 2023	9 months of 2024	9 months of 2025	P**
Employer Demand for Workers				
Russian Federation	116.4	118.6	102.5	-
Northwestern FD	117.0	115.3	103.0	4
Pskov Region	108.6	119.4	110.4	15
Nenets Autonomous Area	117.9	106.8	107.9	20
Leningrad Region	120.2	128.1	106.9	25
Vologda Region	114.3	126.7	105.5	33
Saint Petersburg	121.7	112.9	105.1	35
Kaliningrad Region	111.7	114.8	104.2	38
Republic of Karelia	112.0	112.0	98.9	63
Komi Republic	109.9	110.9	97.9	67
Novgorod Region	121.9	129.9	97.2	72
Arkhangelsk Region	114.3	113.7	93.4	79
Murmansk Region	102.7	102.7	88.9	82

*For the "Unemployment Rate" indicator, the rank of the respective region among the federal subjects (and for the NWFD among federal districts) is provided based on the dynamics of the indicator in September-November 2025. For the "Employer Demand for Workers" indicator, the rank of the respective region among federal subjects (and for the NWFD among federal districts) is provided based on the dynamics of the indicator in January-September 2025. Statistical information for the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye, and Kherson regions is excluded.

2. Income Formation

Changes at the income formation stage were characterized by growth in household and state income against a backdrop of deteriorating business profits.

📈 **Real monetary incomes of the population** in the NWFD increased by 8.2% in January-September 2025 (compared to 8.1% nationwide), with this change observed in all regions of the

district. The main contributors to the indicator's growth in the macro-region were primarily Leningrad Region and Saint Petersburg, where the change was 11.4% and 9.5%, respectively (Table 4). This occurred predominantly due to real accrued wages, which increased by 4.5% nationwide over the same period. Wages for residents of the NWFD grew by a smaller margin – 3%. Two constituent entities of the district were among the worst in the country in terms of wage dynamics: Vologda and Pskov regions saw a decline in wage levels by 1.2% and 0.1%, respectively.

**Table 4. Dynamics of the Population's Income
Generation,
% year-on-year**

Territory	9 months of 2023	9 months of 2024	9 months of 2025	P*
Real Monetary Incomes of the Population				
Russian Federation	105.8	108.7	108.1	-
Northwestern FD	104.8	110.0	108.2	-
Leningrad Region	105.8	113.1	111.4	-
Saint Petersburg	104.0	113.2	109.5	-
Pskov Region	105.8	108.4	108.3	-
Novgorod Region	105.8	107.4	108.0	-
Republic of Karelia	105.1	107.0	107.7	-
Vologda Region	103.5	101.1	106.9	-
Kaliningrad Region	109.8	109.2	106.2	-
Arkhangelsk Region	104.2	108.6	104.6	-
Komi Republic	106.7	108.5	104.3	-
Nenets Autonomous Area	103.7	101.6	103.7	-
Murmansk Region	105.4	102.5	101.9	-
Real Accrued Wages				
Russian Federation	107.4	109.0	104.5	-
Northwestern FD	106.5	106.6	103.0	5
Nenets Autonomous Area	107.8	112.2	106.9	15
Republic of Karelia	108.0	113.2	106.9	15
Komi Republic	109.1	109.7	105.6	23
Saint Petersburg	106.9	107.5	105.2	29
Kaliningrad Region	105.9	103.6	103.7	49
Novgorod Region	102.5	105.2	102.6	60
Murmansk Region	106.4	105.3	102.5	61
Arkhangelsk Region	104.1	109.1	101.8	69
Leningrad Region	106.7	104.3	101.7	71
Pskov Region	105.9	106.6	99.9	82
Vologda Region	104.5	106.3	98.8	84

*For the "Real Accrued Wages" indicator, the rank of the respective region among federal subjects (and for the NWFD among federal districts) is provided based on the dynamics of the indicator in January-September 2025. Statistical information for the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye, and Kherson regions is excluded.

In the short term, the growth of real wages is likely to continue; however, in the longer term, there are obvious constraints stemming from the financial position of companies and the state⁹. As early as the coming months, a slowdown in the growth rate of real wages can be expected due to easing labor market tightness. In November 2025, the hh-index (HeadHunter job market index) stood at 8.1 points (compared to 7.3 points in October 2025 and 4.2 points in November 2024), indicating a high level of competition among applicants for jobs¹⁰.

✔ **Real incomes of the consolidated budget and the territorial state extra-budgetary fund** for the NWFD as a whole decreased by 2.9%, affecting all constituent entities of the district except Kaliningrad Region, where an increase of 1.6% was recorded (nationwide, budget incomes increased by 1.6%; *Table 5*). At the same time, receipts from taxes on business income in the NWFD in January-October 2025 fell by 14.9% (compared to a 13.1% decrease nationwide). The dynamics of receipts from the sale of excisable goods also worsened: in the NWFD, they decreased by 4.5% (compared to a 1.6% decrease nationwide). An important factor behind this phenomenon was the increase in personal income tax (PIT) receipts by 6.7%. Budgetary revenues decreased most significantly in Vologda Region, the Nenets Autonomous Area, and the Komi Republic (by 13.8%, 12.8%, and 10.7%, respectively). The volume of personal income tax in the macro-region grew by 1.3%, with this indicator increasing by 14.9% in Novgorod Region.

⁹ Analysis of Macroeconomic Trends. December 2025. Available at: http://www.forecast.ru/_ARCHIVE/Mon_MK/2025/macro63.pdf (accessed: 19.01.2026).

¹⁰ Short-Term Analysis of GDP Dynamics. December 2025. Available at: <https://ecfor.ru/publication/kratkosrochnyj-analiz-dinamiki-vvp-dekabr-2025/> (accessed: 19.01.2026).

Table 5. Dynamics of Business and Government Income Formation, % year-on-year

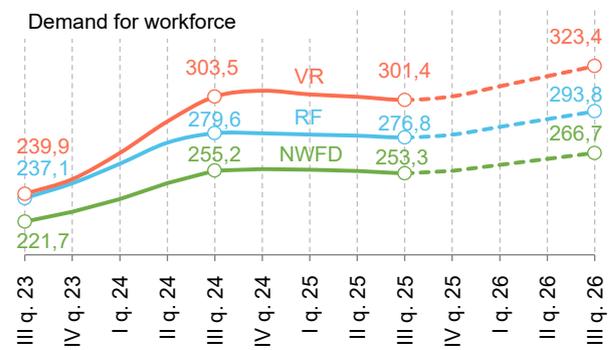
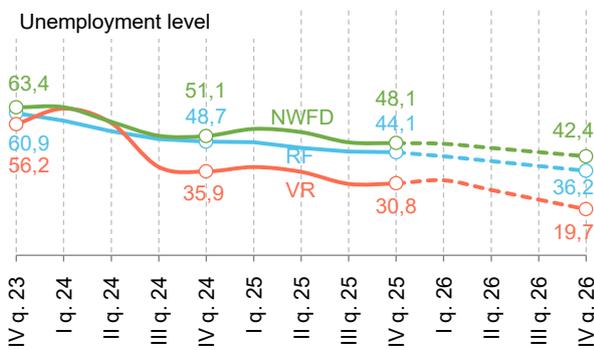
Territory	10 months of 2023	10 months of 2024	10 months of 2025
Revenues of the consolidated budget and the budget of the territorial state extra-budgetary fund			
Russian Federation	103.7	101.2	101.6
Northwestern FD	97.3	101.6	97.1
Kaliningrad Region	95.4	110.5	101.6
Murmansk Region	107.7	86.2	99.3
Saint Petersburg	91.5	106.7	99.2
Leningrad Region	120.2	101.6	98.9
Novgorod Region	104.0	86.4	96.0
Republic of Karelia	99.2	95.1	95.5
Arkhangelsk Region	93.3	96.7	94.3
Pskov Region	110.8	93.5	93.2
Komi Republic	94.0	96.4	89.3
Nenets Autonomous Area	74.1	120.7	87.2
Vologda Region	101.4	94.4	86.2
Territory	9 months of 2023	9 months of 2024	9 months of 2025
Receipt of taxes, fees and other mandatory payments to the consolidated budget of the Russian Federation			
Russian Federation	99.3	111.8	106.6
Northwestern FD	119.3	90.4	108.8
Kaliningrad Region	67.5	143.5	131.1
Novgorod Region	95.4	81.9	130.8
Saint Petersburg	148.0	95.8	114.7
Pskov Region	124.1	108.6	112.8
Arkhangelsk Region	86.8	104.7	112.4
Murmansk Region	189.1	40.7	108.4
Leningrad Region	148.2	89.9	105.9
Republic of Karelia	100.7	119.0	95.3
Nenets Autonomous Area	37.6	127.6	92.1
Komi Republic	82.6	55.4	91.6
Vologda Region	135.5	83.2	67.6
Territory	10 months of 2023	10 months of 2024	10 months of 2025
Net financial result of organizations' activities			
Russian Federation	125.4	77.4	81.2
Northwestern FD	98.4	74.6	77.0
Murmansk Region	95.8	15.0	106.3
Saint Petersburg	99.0	60.3	92.7
Pskov Region	146.4	116.2	85.9
Leningrad Region	114.7	119.0	78.9
Komi Republic	91.6	78.7	68.5
Arkhangelsk Region	70.3	98.7	67.1
Kaliningrad Region	148.2	181.8	63.7
Vologda Region	85.5	58.8	34.7
Nenets Autonomous Area	25.0	63.7	17.9
Republic of Karelia	49.3	148.0	17.1
Novgorod Region	78.6	-	-

📈 **Receipts of taxes, duties, and other mandatory payments into the consolidated budget** for the NWFD as a whole increased in real terms by 8.8% in January-September 2025, following a 9.6% decline a year earlier (nationwide, consolidated budget receipts grew by 6.6% after an increase of nearly 11.8% in the previous year). A significant factor contributing to this phenomenon was the increase in the indicator in Kaliningrad and Novgorod regions, as well as Saint Petersburg, by 31.1%, 30.8%, and 14.7%, respectively. The overall dynamics of the

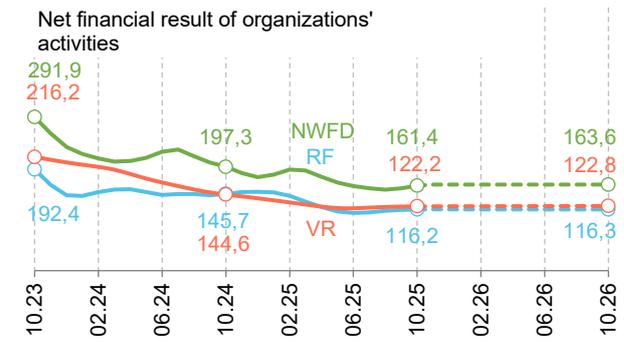
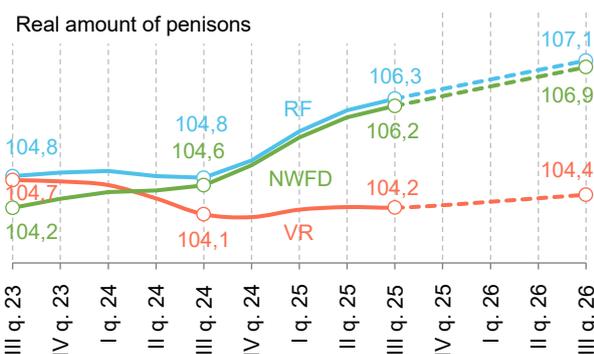
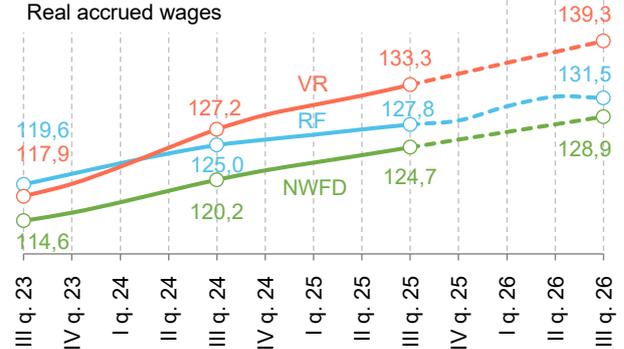
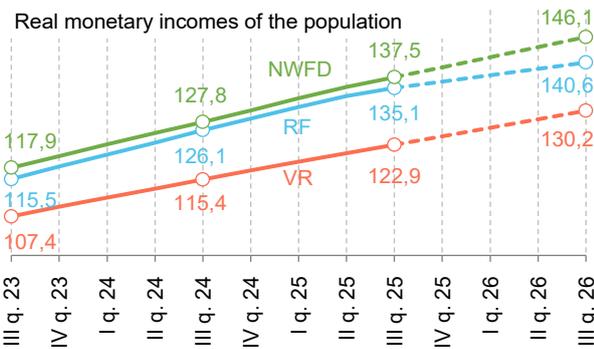
indicator for the NWFD were negatively impacted by a sharp decline in tax revenues in Vologda Region (down 32.4%), one of whose key specializations is metal product manufacturing.

📉 **The net financial result** of organizations in the NWFD in January-October continued to contract, losing 23% compared to the previous year's level (compared to an 18.8% decline nationwide), following a recorded decrease of 25.4% last year. A decline in the indicator was noted in almost all constituent entities of the district; meanwhile, in Novgorod Region, the

Trends in Labor Market Development for 2023–2026, % relative to 2018 level



Trends in Income Formation in the Economy for 2023–2026, % relative to 2018 level



— Russian Federation — Northwestern Federal District — Vologda Region

financial result of organizations was negative. At first glance, Murmansk Region appears to be an exception to the overall picture; however, its 6.3% growth in the indicator was preceded by an 85% slump last year.

3. Final Use

Consumer demand plays an especially important role as a source of economic growth against the backdrop of declining business income.  **Retail trade turnover** for the NWFD as a whole decreased by 2.3%, largely due to a decline in the indicator in Saint Petersburg by 8.4%, against an increase of 0.2–6.6% in almost all other constituent entities of the district (nationwide, growth of 2.5% was recorded; *Table 6*). For the district as a whole, turnover of non-food goods contracted by 3.9%, most significantly in Saint Petersburg (down 11.6%; nationwide, it grew by 2.1%). Vologda Region became the leader in the macro-region in terms of growth in retail turnover of non-food goods (15.2%). Turnover of food goods in the NWFD grew by 0.2% (compared to 2.3% nationwide), most significantly in Leningrad Region (up 6.3%). A noticeable negative impact on the indicator was its decline in Vologda Region and Saint Petersburg – by 4.2% and 2.3%, respectively.

Table 6. Consumer Market Development Dynamics, % year-on-year

Territory	11 months of 2023	11 months of 2024	11 months of 2025	P
Retail trade turnover				
Russian Federation	107.7	108.0	102.5	-
Northwestern FD	112.8	106.7	97.7	8
Republic of Karelia	111.7	102.0	106.6	11
Leningrad Region	113.9	106.7	104.9	17
Komi Republic	106.0	108.3	104.6	19
Vologda Region	102.7	105.9	104.3	22
Kaliningrad Region	107.0	112.0	103.8	27
Novgorod Region	102.6	106.4	103.2	38
Pskov Region	101.7	108.4	101.3	65
Nenets Autonomous Area	103.5	102.9	100.2	74
Arkhangelsk Region	102.9	100.1	100.2	74

Territory	11 months of 2023	11 months of 2024	11 months of 2025	P
Murmansk Region	101.1	102.9	99.2	81
Saint Petersburg	118.7	107.4	91.6	85
Volume of paid services provided to the population				
Russian Federation	106.6	104.3	102.7	-
Northwestern FD	110.2	102.7	104.2	2
Saint Petersburg	115.6	101.0	106.2	9
Leningrad Region	110.0	110.2	105.1	16
Kaliningrad Region	107.2	108.8	103.8	25
Pskov Region	101.5	102.0	101.6	51
Republic of Karelia	105.0	103.2	101.4	56
Nenets Autonomous Area	91.3	104.3	100.8	62
Novgorod Region	100.2	100.6	100.6	66
Vologda Region	100.5	102.5	100.3	70
Murmansk Region	101.4	100.3	100.0	73
Arkhangelsk Region	104.7	106.1	99.3	77
Komi Republic	98.2	101.4	98.8	81
Consumer price index (compared to December of the previous year)				
Russian Federation	106.6	108.1	105.3	-
Northwestern FD	106.1	107.6	105.6	5
Arkhangelsk Region	107.7	107.3	104.4	5
Saint Petersburg	105.7	107.6	104.6	10
Komi Republic	106.7	108.1	105.6	37
Vologda Region	106.5	108.2	106.0	50
Republic of Karelia	107.2	107.2	106.1	55
Novgorod Region	105.9	107.3	106.5	66
Nenets Autonomous Area	103.2	105.1	106.8	73
Pskov Region	105.1	107.1	106.8	73
Leningrad Region	105.5	107.5	107.1	78
Kaliningrad Region	107.0	108.5	107.2	82
Murmansk Region	106.4	106.4	107.4	84
Producer price index for manufactured goods (compared to December of the previous year)				
Russian Federation	123.0	107.4	98.3	-
Northwestern FD	112.4	107.7	100.9	4
Nenets Autonomous Area	193.4	95.8	74.0	1
Komi Republic	135.8	107.8	92.3	9
Vologda Region	119.3	103.8	92.8	10
Republic of Karelia	127.4	115.0	95.3	13
Kaliningrad Region	109.0	107.1	102.0	39
Arkhangelsk Region	105.5	109.7	102.8	45
Leningrad Region	109.5	113.0	102.9	46
Novgorod Region	107.4	104.7	105.6	59
Murmansk Region	100.3	107.4	108.0	69
Pskov Region	110.8	109.8	108.4	71
Saint Petersburg	105.8	105.1	111.6	81

⬆️ The volume of **paid services** provided to the population in the NWFD increased by 4.2% (compared to 2.7% nationwide). Growth in the indicators was noted in most regions of the district, with Saint Petersburg and Leningrad Region leading (up 6.2% and 5.1%, respectively). Meanwhile, in the Komi Republic and Arkhangelsk Region, the volume of services provided decreased by 1.2% and 0.8%, respectively.

⬆️ **Consumer** inflation in the NWFD in November 2025 compared to December of the previous year amounted to 5.6% (compared to 5.3% in Russia). Prices for food goods in the federal district as a whole rose by 4.8%, while prices for non-food goods increased to a lesser extent – by 3.6%. Utility tariffs increased by 11.9% due to a widespread tariff hike effective July 1. Consumer prices for services rose by 8.9%, respectively.

⬆️ **Producer prices for industrial goods** in the NWFD as a whole demonstrated an increase of only 0.7% (compared to a 1.7% decrease nationwide). A sharp decline in prices for industrial products in the Nenets Autonomous Area was recorded (down 26%, which was the best result in the country). Prices for industrial products also decreased in the Komi Republic, Vologda Region, and the Republic of Karelia (down 7.7%, 7.2%, and 4.7%, respectively). In the other constituent entities of the NWFD, producer prices for industrial goods increased, with the most significant rise being for industrial products in Saint Petersburg (up 11.6%).

⬆️ In **construction**, the volume of work performed in the NWFD increased by 3.4% (compared to 2.7% in Russia; *Table 7*). Among the district's constituent entities, high growth was demonstrated by Leningrad Region, as well as the Komi Republic and the Republic of Karelia (by 32.4%, 31.6%, and 14.8%, respectively). At the same time, the change in the indicator was negative in half of the regions; specifically, in Murmansk Region, the Nenets Autonomous Area, and Kaliningrad Region, the decline was 43.7%, 34.8%, and 24.6%, respectively. It is worth noting that the recorded dynamics of

construction work volume may be partly shaped by the completion of current projects, as there is a deep decline in demand for finished products in the building materials industry¹¹.

**Table 7. Construction Dynamics,
% year-on-year**

Territory	11 months of 2023	11 months of 2024	11 months of 2025	p
Scope of work on the type of economic activity "Construction"				
Russian Federation	109.5	101.2	102.7	-
Northwestern FD	105.9	101.2	103.4	3
Leningrad Region	111.3	130.1	134.2	7
Komi Republic	96.8	102.8	131.6	8
Republic of Karelia	108.3	59.7	114.8	22
Saint Petersburg	109.8	99.5	100.8	39
Novgorod Region	120.6	95.8	97.2	45
Vologda Region	107.2	105.1	97.0	46
Arkhangelsk Region	129.5	58.6	94.9	52
Pskov Region	97.2	91.6	80.1	74
Kaliningrad Region	116.6	115.9	75.4	78
Nenets Autonomous Area	75.5	85.5	65.2	80
Murmansk Region	69.4	83.8	56.3	82
Housing commissioning				
Russian Federation	100.0	100.7	97.6	-
Northwestern FD	100.4	91.5	100.7	5
Murmansk Region	27.7	128.4	151.6	3
Nenets Autonomous Area	53.1	135.2	118.9	12
Republic of Karelia	101.4	92.0	118.5	14
Novgorod Region	100.7	93.0	113.1	20
Vologda Region	101.6	101.4	111.2	21
Leningrad Region	107.4	96.4	107.7	26
Kaliningrad Region	92.1	97.8	101.0	38
Arkhangelsk Region	104.6	93.0	100.2	44
Komi Republic	101.3	108.3	95.2	54
Saint Petersburg	98.8	78.5	84.7	72
Pskov Region	103.4	94.0	83.3	74
Volume of mortgage loans issued				
Russian Federation	159.4	60.8	74.3	-
Northwestern FD	142.9	64.1	76.3	3
Nenets Autonomous Area	131.8	60.0	95.1	2
Leningrad Region	145.7	58.0	85.1	8
Kaliningrad Region	188.5	69.2	79.5	22
Pskov Region	161.8	62.6	76.5	33
Saint Petersburg	134.4	65.4	75.9	36
Komi Republic	145.9	53.3	75.1	38
Arkhangelsk Region	139.7	82.6	73.6	43
Novgorod Region	153.1	60.8	73.5	44
Murmansk Region	143.0	63.1	73.1	47
Republic of Karelia	164.7	54.6	70.8	59
Vologda Region	161.0	58.5	68.9	68

¹¹ Analysis of Macroeconomic Trends. December 2025. Available at: http://www.forecast.ru/_ARCHIVE/Mon-MK/2025/macro63.pdf (accessed: 19.01.2026).

⬆️ Housing commissioning in the NWFD grew by 0.7% (while nationwide it decreased by 2.4%). Growth in the indicator was observed in most regions of the macro-region. However, three constituent entities of the district saw a sharp decline – in Pskov Region, Saint Petersburg, and the Komi Republic, it amounted to 16.7%, 15.3%, and 4.8%, respectively.

⬇️ **The volume of issued mortgage loans** in the NWFD contracted substantially (by 23.7%; compared to 25.7% nationwide). This phenomenon affected all regions of the district, manifesting in a decline in mortgage lending ranging from 4.9% to 31.1%. Note that this was also preceded by a decrease in the indicator the previous year. According to Bank of Russia data, in October and November 2025, 76% and 78% of mortgage loans, respectively, were issued under state support programs. At the same time, in annual terms, the number of mortgage housing loans provided increased by 45.8%, and the volume by 82.8%¹².

⬆️ **Real expenditures of the consolidated budget and the territorial state extra-budgetary fund** in the NWFD in January–October 2025 increased by 3.5% (compared to 9.3% nationwide; *Table 8*). Half of the district's constituent entities demonstrated growth in budget expenditures, including Leningrad Region – up 9.8%, Saint Petersburg and Kaliningrad Region – up 5.8% and 4.8%, respectively. At the same time, in a number of macro-region subjects, the indicator decreased, most notably in Novgorod and Murmansk regions (by 6.9% and 4.6%, respectively). Meanwhile, at the national level, growth in social policy expenditures accelerated to 15%; a year earlier, an increase of 1% was recorded for this line item. In the NWFD, an increase in this indicator of 8.6% was also noted (a year earlier, an increase of 1.5% was recorded for this item). Healthcare expenditures nationwide grew by 6.8%, while in the NWFD they decreased by 0.4%.

⬆️ The **fixed capital investment volume index** for the NWFD in January–September 2025 increased by 13.9%, which was the best result among all federal districts (nationwide growth was only 0.5%; *Table 9*). Two constituent entities of the macro-region ranked among

the top five in the country for this indicator, with the largest growth in fixed capital investment volume observed in Leningrad and Vologda regions (by 48.6% and 23.3%, respectively). However, more than half of the NWFD regions saw a decline in investment activity, most pronounced in the Komi Republic and Arkhangelsk Region (by 23.5% and 18.2%, respectively).

Table 8. Dynamics of Expenditures of the Consolidated Budget and the Territorial State Extra-Budgetary Fund, % year-on-year

Territory	10 months of 2023	10 months of 2024	10 months of 2025
Russian Federation	104.0	101.9	109.3
Northwestern FD	107.4	104.3	103.5
Leningrad Region	97.9	113.3	109.8
Saint Petersburg	117.7	106.1	105.8
Kaliningrad Region	100.9	97.8	104.8
Nenets Autonomous Area	92.3	95.1	104.1
Komi Republic	96.8	102.5	102.9
Arkhangelsk Region	102.1	97.6	100.7
Republic of Karelia	97.1	90.3	98.9
Vologda Region	105.6	108.5	98.1
Pskov Region	102.4	92.4	97.4
Murmansk Region	92.9	108.8	95.4
Novgorod Region	117.1	95.8	93.1

Table 9. Fixed Capital Investment Dynamics, % year-on-year

Territory	9 months of 2023	9 months of 2024	9 months of 2025	P*
Russian Federation	110.5	109.0	100.5	-
Northwestern FD	111.6	109.9	113.9	1
Leningrad Region	117.7	128.8	148.6	2
Vologda Region	78.8	129.2	123.3	4
Kaliningrad Region	134.6	81.7	110.5	13
Republic of Karelia	89.7	97.1	102.1	30
Saint Petersburg	121.6	110.9	102.1	30
Nenets Autonomous Area	96.1	113.5	98.8	41
Murmansk Region	97.4	83.8	95.4	50
Pskov Region	100.7	124.4	91.1	60
Novgorod Region	138.0	85.6	88.0	72
Arkhangelsk Region	100.7	82.4	81.8	77
Komi Republic	98.4	109.3	76.5	83

*The rank of the respective region among federal subjects (and for the NWFD among federal districts) is provided based on the dynamics of the indicator in January–September 2025. Statistical information for the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye, and Kherson regions is excluded.

¹² Review of the Mortgage Housing Lending Market. Available at: https://cbr.ru/statistics/bank_sector/mortgage/Indicator_mortgage/1125 (accessed: 19.01.2026).

Such high investment dynamics amid an "economic freeze" have been made possible by the following additional factors. First, there is the inertia from previously launched projects. Many enterprises believed in the economic upturn manifested in 2021 and 2023-2024 and spent money on modernizing old and creating new capacities. Second, in conditions of an acute shortage of qualified workers, the necessity to substitute labor with capital is exerting increasing pressure on our enterprises. Currently, many Russian companies are striving with all their might to increase the share of capital costs and reduce labor costs. This also contributes to sustaining high investment dynamics¹³.

Russia as a whole can count on "effective economic sovereignty with the smart building of new international chains." However, at the present moment, the Russian economy is forced to start from a decline in investments in quarter-on-quarter terms and a drop in output in the overwhelming majority of manufacturing industries. <...> Tight monetary policy has led businesses to self-finance investments, with most enterprises postponing them indefinitely¹⁴.

According to data from the Federal Customs Service, in January-October 2025, Russia's total **export** volume in value terms fell by 4.3%, while **imports** fell by 2.4%. Exports to Europe decreased by 14.9%, to Asia by 1.6%, and to Africa by 14.4%. The only

direction where export supplies increased was the group of countries in the "Americas" (up 3.4%). Imports from Europe and Asia decreased by 4.4% and 2.9%, respectively, while imports from Africa increased by 31.4%. Exports of food goods decreased by 11.3%, while imports of this product group rose by 14.2%. The value volume of mineral product exports (their share was 54.9%) also decreased by 14.7%; imports of mineral products fell by 14.9%. Exports of machinery and equipment increased by 25.4%, while imports of this product category decreased by 8.7%, with their share amounting to just under half of total imports.

World market prices for oil in January-November 2025 decreased by 15.5%, and for phosphate fertilizers by 11% (Table 10).

At the same time, rolled metal became more expensive by 22.1%, and natural gas by 14.7%.

Table 10. Dynamics of World Commodity Prices, % year-on-year

Commodity	11 months of 2023	11 months of 2024	11 months of 2025
Oil	82.2	97.7	84.5
Gas	32.6	80.7	114.7
Rolled metal	69.9	102.6	122.1
Phosphate fertilizers	116.3	93.2	89.0

World prices for metal products show an upward trend: increases were noted both for "flat" rolled products (by 6.9–11.3%) and for "long" products (by 1.1–10.2%). On the domestic market, prices declined: for "flat" rolled metal by 17.5–12.6%, for "long" products by 19.1–17.2%.

¹³ Fuel for Development. Available at: <https://www.kommersant.ru/doc/8269466> (accessed: 19.01.2026).

¹⁴ Belousov from CMASF Described a Business Model "Like the 1990s, but for the Benefit of Society". Available at: <https://www.rbc.ru/economics/24/12/2025/694ab91a9a7947b6d0e19a6c> (accessed: 19.01.2026).

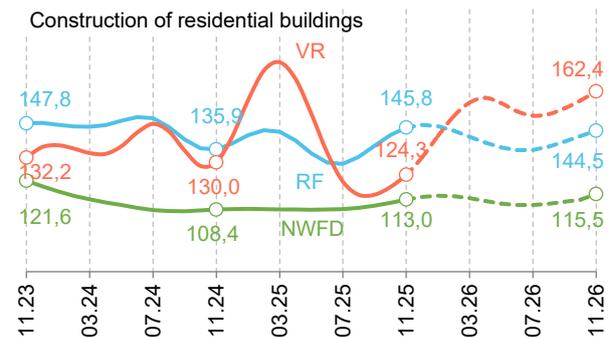
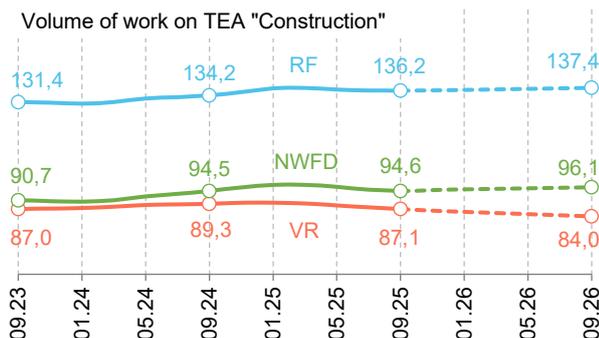
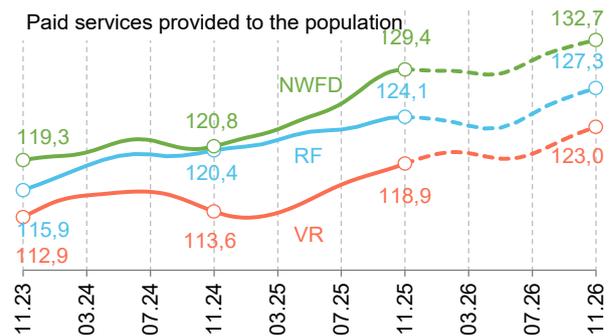
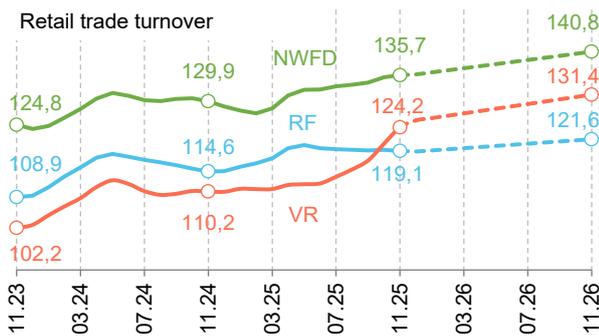
Table 11. Prices for Metal Products on the World Market (EU Countries) per Ton (as of the beginning of December of the respective year)

Type of metal product	Unit of measurement	2023	2024	2025	2025, % to	
						2023
"Flat" rolled metal						
Cold-rolled sheet	USD	730	685	763	111.3	104.5
Galvanized sheet	USD	820	793	848	106.9	103.4
Hot-rolled sheet	USD	653	580	635	109.5	97.3
"Long" rolled metal						
Reinforcing steel	USD	743	613	665	108.6	89.6
Structural sections	USD	915	809	892	110.2	97.5
Rolled products	USD	860	698	705	101.1	82.0

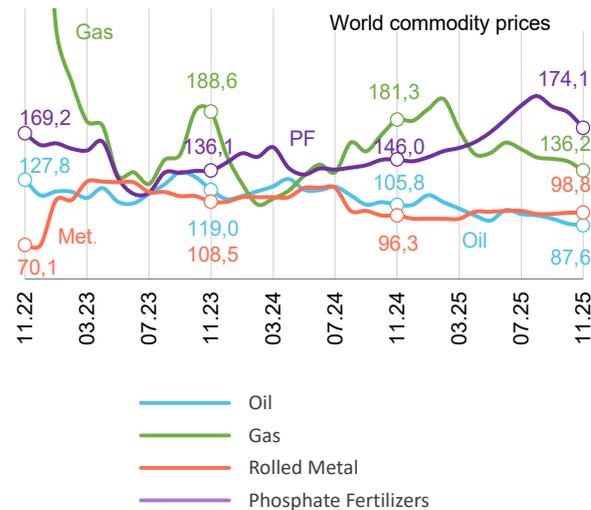
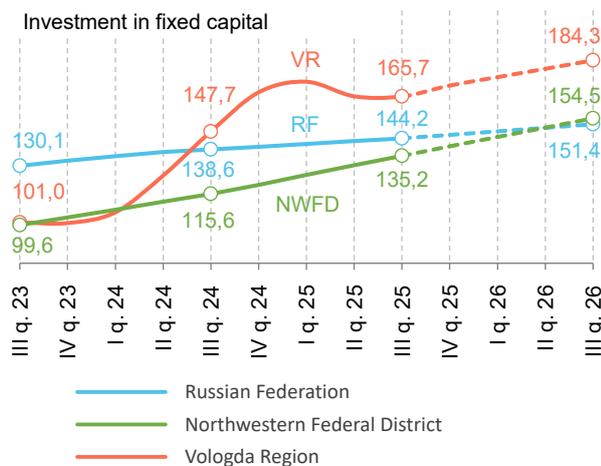
Table 12. Prices for Metal Products on the Russian Market per Ton (as of the beginning of January of the respective year)

Type of metal product	Unit of measurement	2024	2025	2026	2026, % to	
					2025	2024
"Flat" rolled metal						
Cold-rolled sheet	Rub.	80167	86503	74850	86.5	93.4
Galvanized sheet	Rub.	104280	115250	95100	82.5	91.2
Hot-rolled sheet	Rub.	70586	64500	56350	87.4	79.8
"Long" rolled metal						
Rebar	Rub.	74244	59054	48917	82.8	65.9
Beam and Channel	Rub.	85023	82756	68131	82.3	80.1
Round	Rub.	72480	57500	46500	80.9	64.2
Angle	Rub.	73214	62700	51133	81.6	69.8

Trends in Consumer Market and Construction Development for 2023–2026, % relative to 2018 level



Trends in Investment Activity and Foreign Trade Development for 2022–2026, % relative to 2018 level



In general, for the period January–November 2025, the economy of the NWFD developed under conditions of complex and contradictory dynamics. On the one hand, positive trends were recorded, supported by growth in the population's real incomes and an increase in government spending. Output growth was observed in manufacturing, especially in intermediate and final demand industries, as well as in certain high-tech and import-substituting segments. The growth of wages and the population's real monetary incomes continued, serving as a key stabilizer for consumer demand; inflation slowed; and the volume of paid services provided to the population demonstrated growth. Fixed capital investment in the NWFD showed significant growth, which was the best result among all federal districts, driven both by the inertia of previously launched projects and by the necessity to substitute scarce labor with capital.

On the other hand, negative factors clearly emerged, indicating a slowdown in business activity and the formation of

cautious expectations. A rapid decline in the net financial result of organizations and a decrease in tax receipts from business activities were recorded. The Business Confidence Index in key industries moved into negative territory. The volume of mortgage lending contracted substantially. Retail trade turnover for the district as a whole declined, and industrial production demonstrated a downturn.

Thus, economic growth in the NWFD in 2025 was largely supported by household consumption and government spending, which offset the decline in business incomes and the compression of investment risks. However, to transition to sustainable and balanced growth, the need to accelerate structural transformations becomes evident. Key priorities should include stimulating private investment and improving access to long-term credit resources; enhancing the efficiency of state support measures through their selection, targeting, and concentration on proven instruments; and creating

conditions for reviving business initiative and improving the business climate, which is necessary to overcome the persistent nature of negative expectations. The future dynamics of the district's economy will depend on the successful implementation of these measures, as well as on the ability of businesses to adapt to structural constraints and seize emerging opportunities in high-tech and import-substituting industries. An example of already implemented measures is the expansion of support for the manufacturing sector¹⁵.

Sources: Rosstat, the Ministry of Economic Development of Russia, the Bank of Russia, the Federal Customs Service, the Government of Russia, metalinfo.ru, metaltorg.ru, divercitytimes.com, data.stats.gov.cn, bea.gov, and others.

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¹⁵ RF Government Resolution 1955 dated 28.11.2025 "On Extending the Term of the Experimental Legal Regime in the Sphere of Digital Innovations for the Provision of Transport Services Using Highly Automated Vehicles in the Territories of Certain Constituent Entities of the Russian Federation"; RF Government Resolution 2175 dated 27.12.2025 "On Introducing a Tariff Quota for the Export Outside the Territory of the Russian Federation of Waste and Scrap of Ferrous Metals to States Not Members of the EAEU"; RF Government Resolution 1947 dated 28.11.2025 "On Introducing a Temporary Ban on the Export from the Russian Federation of Waste and Scrap of Precious Metals".