

MONITORING OF CHANGES: MAIN TRENDS

THE ECONOMY OF NORTHWEST RUSSIA IN 2025: SLOWING GROWTH AND REORIENTATION TOWARD DOMESTIC DEMAND

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Vologda Research Center of the Russian Academy of Sciences (VoIRC 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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The Russian economy operated throughout 2025 amid an acute phase of adaptation to unprecedented sanctions pressure and the transition toward deep structural transformation. External conditions remained challenging and volatile: the global economy continued to decelerate, grappling with market fragmentation, rising protectionism across many countries, and the repercussions of tighter monetary policy

pursued by major central banks (*Tab. 1*). According to World Bank forecasts, global GDP growth in 2026–2027 is projected at 2.6–2.7%—well below the 3.2% average recorded over the 2010–2019 period¹).

This global slowdown is, moreover, unevenly distributed. In the euro area—which has lost access to affordable Russian energy supplies—growth stood at 1.4% in 2025 and is projected to drop to 0.9% in 2026. The U.S. economy slowed to 2.1% growth in 2025 amid persistently high interest rates and the waning of fiscal stimulus. China, confronting a property market crisis and mounting trade restrictions, is shifting toward a managed slowdown, with growth expected to ease from 4.9% to 4.2% over the 2025–2027 period. This poses structural risks for Russia's exports of intermediate goods. India, by contrast, continues to post high growth rates (6.5–7.2% annually) and remains the world's fastest-growing major market. Strong investment appeal, a demographic dividend, and active economic policy make it a priority destination for Russian exports.

The key takeaway from this brief overview of the external environment is that operating

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¹ World Economic Situation and Prospects 2026. United Nations. 216 p. DOI: 10.18356/9789211577761.

Table 1. Global economic trends, % change from previous year

Indicator	2023	2024	2025	2026	2027
Gross domestic product					
World	2.8	2.8	2.7	2.6	2.7
Advanced economies	1.6	1.7	1.7	1.6	1.6
• United States	2.9	2.8	2.1	2.2	1.9
• Euro area	0.5	0.9	1.4	0.9	1.2
• Japan	0.7	-0.2	1.3	0.8	0.8
Emerging market and developing economies	4.4	4.3	4.2	4.0	4.1
East Asia and Pacific	5.2	5.0	4.8	4.4	4.3
• China	5.4	5.0	4.9	4.4	4.2
Europe and Central Asia	3.6	3.6	2.4	2.4	2.7
• Russia	4.1*	4.9*	1.0*	0.8	1.0
Latin America and the Caribbean	2.4	2.4	2.2	2.3	2.6
Middle East and North Africa	2.1	2.6	3.1	3.6	3.9
South Asia	8.0	6.3	7.1	6.2	6.5
• India	9.2	6.5	7.2	6.5	6.6
Sub-Saharan Africa	3.0	3.7	4.0	4.3	4.5
Global trade					
Global trade volume	0.6	3.4	3.4	2.2	2.7
Commodity price index (2010 = 100)	108	105	98	91	94
Energy price index (2010 = 100)	107	102	90	80	85
Oil price (USD per barrel)	83	81	69	60	65
Non-energy commodity price index (2010 = 100)	110	113	115	113	113
*Rosstat data.					
Source: Global Economic Prospects, January 2026. Washington: World Bank. 180 p. DOI: 10.1596/978-1-4648-2267-4					

conditions for Russia's export-oriented, resource-based economic model have become markedly more challenging. On the one hand, this underscores the importance of export diversification—developing non-resource exports, above all to India, Southeast Asian nations, and Africa. On the other hand, it necessitates a greater prioritization of domestic sources of growth. Indeed, domestic demand dynamics and the restructuring of the economy were the decisive factors shaping gross value added in 2025². According to preliminary Rosstat data, Russia's GDP expanded by 1% in 2025 (compared to 4.9% a year earlier). Estimated growth in the fourth quarter of 2025 also came in at 1% (Fig. 1).

❗ Changes in the Business Confidence Index point to deteriorating expectations among Russian enterprises. In February 2026, the index for manufacturing and mining fell to

0.4 and -7, respectively—down significantly from the 3.3 and -0.9 recorded a year earlier (Fig. 2). The Business Confidence Index in construction dropped by 3 percentage points in the first quarter of 2026, hitting the lowest level among the sectors listed at -11.

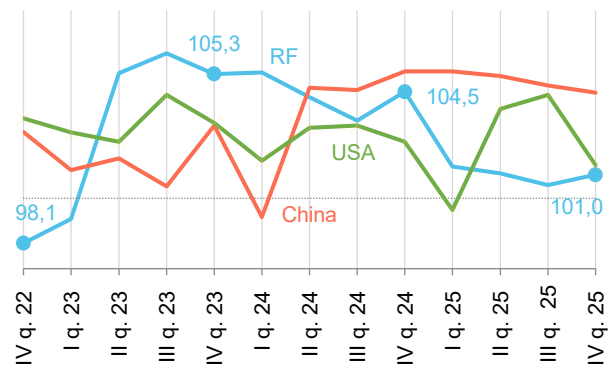


Figure 1. Gross domestic product growth, % change from corresponding quarter of previous year

² Here and further in the text (unless otherwise specified) January – December 2025 is compared with January–December 2024.

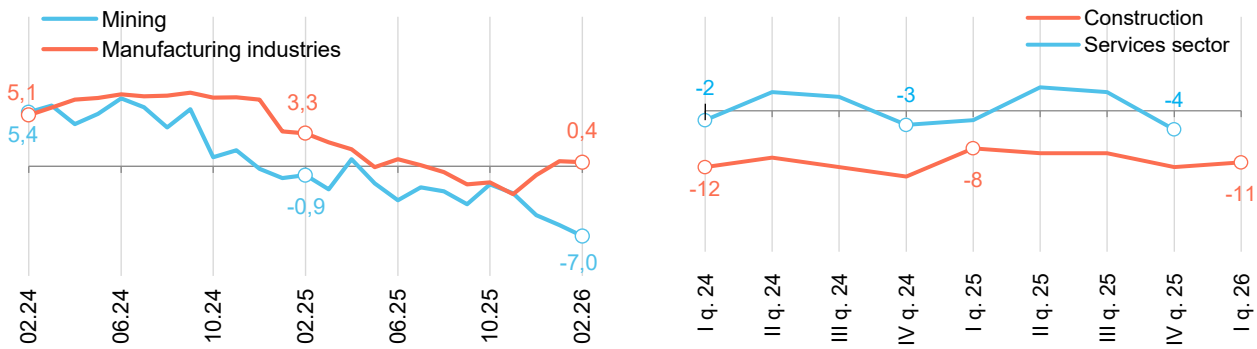


Figure 2. Business Confidence Index, %

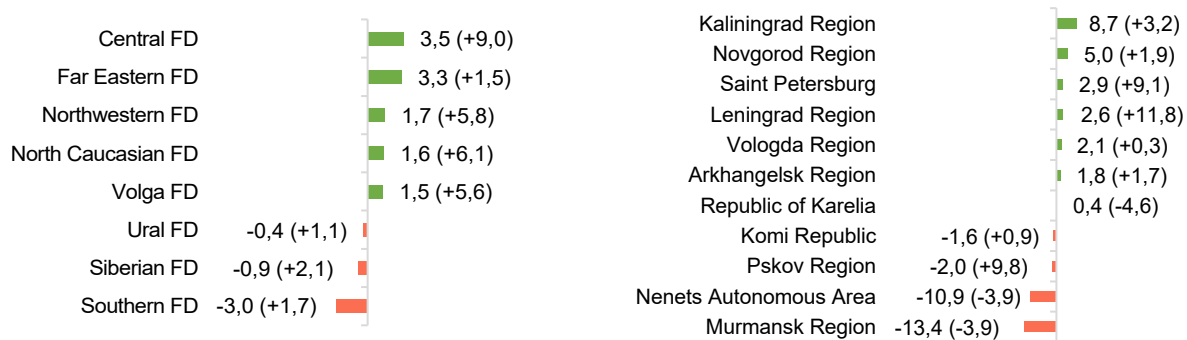


Figure 3. Growth in output of goods and services in basic economic activities*, January–December 2025 vs January–December 2024, by federal district and NWFD regions, %

*Basic economic activities include: crop production, animal husbandry, 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 of motor vehicles and motorcycles); retail trade (except of motor vehicles and motorcycles); transportation.

Note: Figures in parentheses indicate the change in the indicator for January–December 2024 relative to January–December 2023, in %.

Entrepreneurs' short-term expectations have hit record lows: 52% anticipate that their businesses will face worsening conditions in the first quarter of 2026, while only 12% expect improvement. The share of companies pursuing a growth strategy in Q4 stood at just 8%. Thirty-nine percent of business owners reported that their Q4 2025 revenues were lower than in the previous quarter, and 29% stated that their income was insufficient to cover direct operating expenses. The proportion of those entering Q1 2026 with feelings of worry and anxiety rose to 62%. Some entrepreneurs have

been forced to shift their businesses rather abruptly into "survival mode"³.

1. Gross output

Output of goods and services in basic economic activities across the Northwestern Federal District (NWFd) as a whole increased by 1.7% – the third-highest growth rate among all federal districts (Fig. 3). Most regions within the NWFd posted gains in this indicator, with the Kaliningrad and Novgorod regions leading the way (up 8.7% and 5.0%, respectively). At the same time, the Murmansk Region and the Nenets Autonomous Area saw substantial declines in output (down 13.4 and 10.9%, respectively).

³ Pessimism, anxiety and survival: entrepreneurs – about the past and current quarters. Available at: <https://smbiz.fom.ru/post/pessimizm-trevozhnost-i-vyzhivanie-predprinimateli-o-proshedshem-i-tekushem-kvartalah> (accessed: 15.03.2026).

Table 2. Industrial production trends, % change from corresponding period of previous year

Territory	2023	2024	2025	R*
Industry overall				
Russian Federation	104.3	105.1	101.3	-
Northwestern Federal District	105.3	107.7	100.6	4
Novgorod Region	102.7	102.7	109.0	7
Kaliningrad Region	96.7	103.2	108.8	8
Saint Petersburg	113.1	116.9	105.4	16
Vologda Region	106.2	101.2	101.8	30
Arkhangelsk Region	98.8	107.5	100.0	42
Pskov Region	112.6	108.5	98.3	56
Komi Republic	100.3	99.9	97.2	64
Leningrad Region	107.7	110.4	96.6	66
Nenets Autonomous Area	93.7	97.6	95.5	73
Republic of Karelia	100.2	98.8	94.5	77
Murmansk Region	97.5	99.7	88.6	83
Mining				
Russian Federation	99.0	99.5	98.4	-
Northwestern Federal District	97.2	99.2	95.3	7
Republic of Karelia	100.8	98.8	99.3	30
Murmansk Region	103.6	95.8	99.3	30
Kaliningrad Region	95.9	97.1	96.7	48
Komi Republic	99.4	100.4	96.2	52
Nenets Autonomous Area	93.5	97.4	95.5	59
Vologda Region	97.1	93.6	94.7	61
Novgorod Region	90.7	84.1	89.4	70
Pskov Region	95.4	106.3	89.4	70
Leningrad Region	108.5	99.1	81.7	81
Arkhangelsk Region	92.0	101.1	78.6	83
Saint Petersburg	85.6	146.1	72.7	84
Manufacturing				
Russian Federation	108.7	109.1	103.6	-
Northwestern Federal District	108.6	110.8	102.4	3
Kaliningrad Region	97.1	103.2	111.2	8
Novgorod Region	103.4	102.5	110.0	9
Saint Petersburg	115.1	118.9	107.0	13
Arkhangelsk Region	99.6	109.8	104.2	22
Nenets Autonomous Area	108.4	120.3	102.7	29
Vologda Region	106.1	101.3	102.5	30
Komi Republic	104.3	98.1	101.9	32
Pskov Region	110.0	108.5	101.6	35
Leningrad Region	110.6	110.4	95.2	71
Republic of Karelia	98.2	98.9	90.5	80
Murmansk Region	94.2	100.7	81.8	83

*Here and throughout, R denotes the rank of the respective region among all federal subjects (and for the NWFD, among federal districts) based on the indicator's performance in January–December 2025, unless otherwise specified. Rankings exclude statistical data for the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye Region, and Kherson Region.

⬆️ **Industrial output** in the NWFD continued to expand, posting a 0.6% increase for the year as a whole – somewhat below the nationwide growth rate of 1.3% (Tab. 2). Several NWFD regions recorded substantial gains in industrial production, most notably the Novgorod Region, the Kaliningrad Region, and the city of Saint Petersburg (up 9.0, 8.8, and 5.4%, respectively). In the Arkhangelsk Region, however, industrial output remained flat, while half of the regions in the NWFD saw declines – most sharply in the Murmansk Region and the Republic of Karelia (down 11.4 and 5.5%, respectively).

⬆️ **Manufacturing output** in the Northwestern Federal District (NWFD) continued to expand, though the growth rate slowed markedly compared to the previous year (2.4% vs 10.8%). A similar trend was observed nationwide, where overall manufacturing growth decelerated to 3.6% from 9.1% a year earlier, yet the sector remained the primary driver of industrial expansion⁴. Manufacturing posted positive dynamics across most regions of the district, with the Kaliningrad Region and the Novgorod Region each recording growth in excess of 10%. At the same time, output in this sector contracted in the Murmansk Region, the Republic of Karelia, and the Leningrad Region, by 18.2, 9.5, and 4.9%, respectively.

⬇️ **Mining and quarrying output** in the NWFD declined more steeply than the national average (down 4.7% vs 1.6% for Russia as a whole). The downturn affected enterprises in every region of the district, with three regions – Saint Petersburg, the Arkhangelsk Region, and the Leningrad Region – posting some of the sharpest declines nationwide (down 27.3%, 21.4%, and 18.3%, respectively).

⁴ Ministry of Economic Development of the Russian Federation. About the current situation in the Russian economy. Results of 2025 Available at: https://www.economy.gov.ru/material/file/download/021bb908e9cb3b7fd5d6481b0cef1cfb/o_tekushchey_situacii_v_rossiyskoy_ekonomike_itogi_2025 (accessed: 16.03.2026).

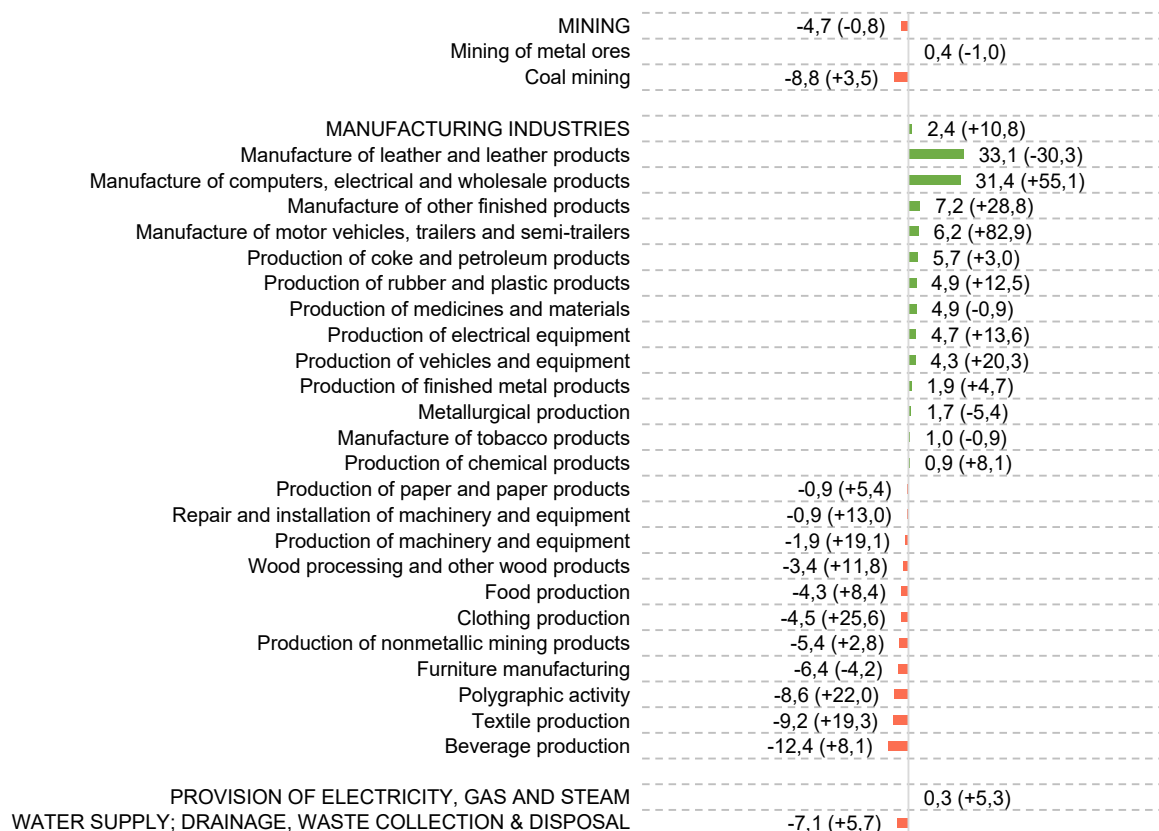


Figure 4. Growth in Industrial Output in the NWFD, January–December 2025, % Change from January–December 2024

Note: Figures in parentheses indicate the change in the indicator for January–December 2024 relative to January–December 2023, in %.

The lack of publicly available data on crude oil and natural gas production⁵ complicates a full assessment of the sector's performance. However, given that oil and gas account for roughly 60% of total NWFD extraction, the composite mining index suggests that output has contracted substantially. Some insight can be gleaned from Deputy Prime Minister Alexander Novak's statement that nationwide crude oil production edged down by just 0.77% over the year to 512 million metric tons – its lowest level in 16 years⁶. Coal production fell by 8.8%, reversing a 3.5% gain a year earlier (Fig. 4). By contrast, the extraction of metal ores increased by 0.4%.

Sectoral trends in NWFD manufacturing point to a deceleration of positive momentum.

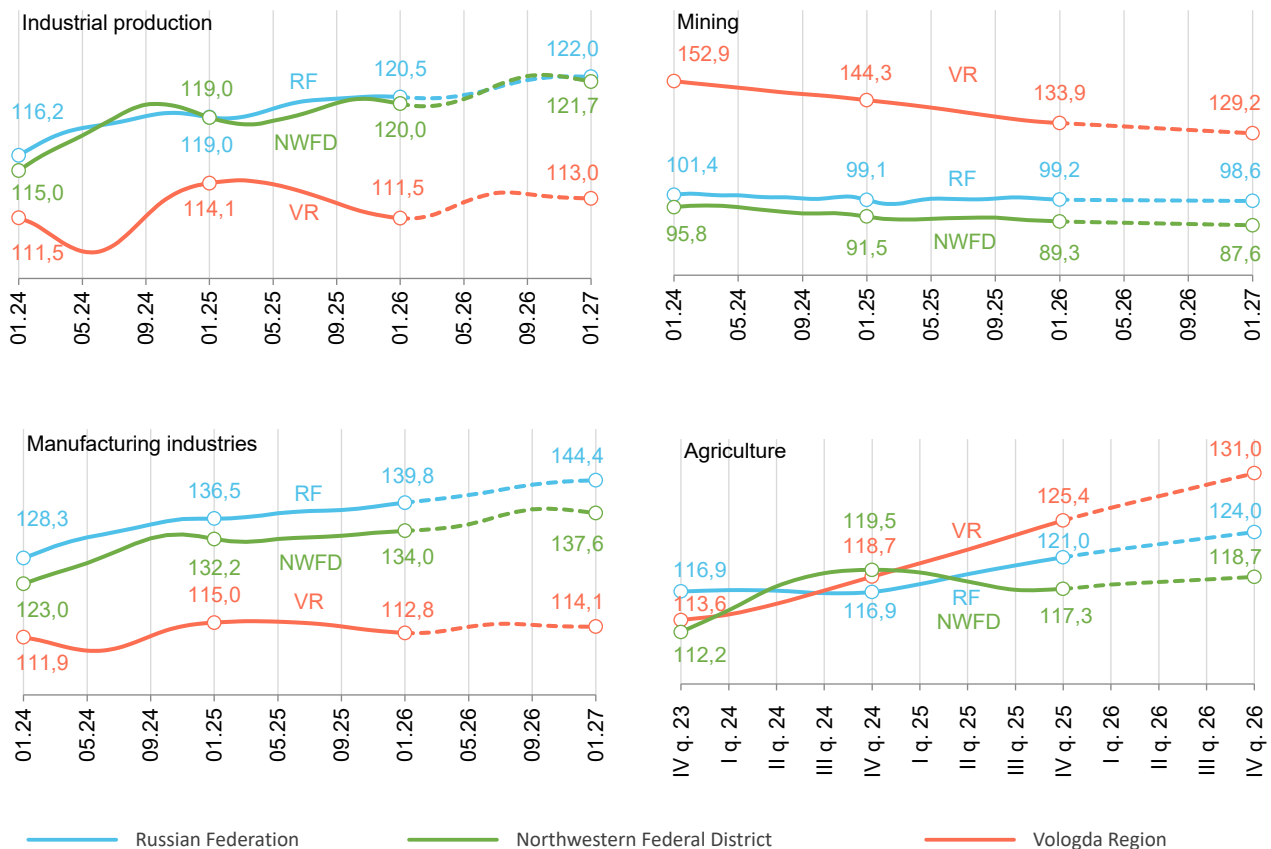
📈 **Manufacturing industries producing intermediate goods** in the NWFD expanded their output. Production of coke and refined petroleum products rose by 5.7%; pharmaceuticals and medicinal materials, by 4.9%; fabricated metal products and chemicals, by 1.7% and 0.9%, respectively. Meanwhile, output in the wood-processing industry fell by 3.4%.

📉 Several **manufacturing industries geared toward final consumer demand** in the NWFD recorded declines. Notably, production of beverages and food products contracted by 12.4% and 4.3%, respectively; textiles, by 9.2%;

⁵ Rosstat has stopped publishing data on oil production. Available at: <https://www.rbc.ru/economics/26/04/2023/64492a769a794789b8b0feec> (accessed: 17.03.2026).

⁶ Novak announced a decrease in oil production in Russia. Available at: <https://www.interfax.ru/business/1069004> (accessed: 16.03.2026).

Trends in the development of industrial and agricultural production, 2024–2027, % of 2018 level



furniture, by 6.4%; and wearing apparel, by 4.5%. At the same time, the manufacture of leather and leather products surged by 33.1% (following a 30.3% drop the previous year), while output of other finished goods rose by 7.2%, and rubber and plastic products grew by 4.9%.

⬆️⬆️ **Manufacturing industries serving investment demand** in the NWFD presented a mixed picture. Strong growth in the production of computers, electronic and optical products (up 31.4%), as well as motor vehicles, trailers, and semi-trailers (up 6.2%), contrasted with declines in the manufacture of other non-metallic mineral products (down 5.4%) and machinery and equipment (down 1.9%). This divergence may reflect corporate efforts to draw down inventories of raw materials and components⁷, coupled with a broader slowdown in investment activity.

⁷ Quarterly GDP forecast 01.2026. Available at: <https://ecfor.ru/publication/kvartalnyj-prognoz-vvp-vypusk-69/> (accessed: 16.03.2026).

Rosatom's fuel division (managed by TVEL JSC) has launched pilot operations at Russia's first "gigafactory" for energy storage systems, located in the Nemansky District of Kaliningrad Region. The facility boasts an annual production capacity of 4 GWh – equivalent to roughly 1.5 million charging modules or 50,000 traction batteries for electric vehicles. It is the country's sole large-scale, full-cycle industrial producer of lithium-ion batteries, spanning everything from primary battery chemistry to finished modules and complete battery packs. At the pilot operation stage, the plant employs 334 specialists; once full design capacity is reached, headcount is expected to increase by a factor of 3.5. Procurement from local suppliers has already exceeded

4 billion rubles, encompassing reinforced concrete products, steel structures, ready-mix concrete, specialized equipment rental, and other items⁸.

✔ Agricultural output in the NWFD declined by 1.6%, even as nationwide production rose by 4.9% (Tab. 3). Most regions within the district recorded a drop in agricultural production, with the Murmansk Region and the Kaliningrad Region posting declines of 19.8 and 6.3%, respectively. At the same time, several NWFD regions increased their agricultural output, with the Vologda Region leading the way (up 5.2%).

Table 3. Agricultural production dynamics, % change from corresponding period of previous year

Territory	2023	2024	2025	R
Russian Federation	100.2	96.7	104.9	-
Northwestern Federal District	100.8	107.5	98.4	7
Vologda Region	101.7	102.2	105.2	32
Arkhangelsk Region	101.5	99.3	102.3	51
Novgorod Region	99.6	100.5	102.0	52
Republic of Karelia	99.9	97.9	100.5	59
Komi Republic	94.6	104.1	99.8	63
Leningrad Region	101.1	101.7	98.2	65
Pskov Region	98.7	132.4	95.8	67
Nenets Autonomous Area	102.8	92.3	95.4	69
Kaliningrad Region	103.2	107.6	93.7	74
Murmansk Region	106.1	102.3	80.2	84

Positive momentum in the *labor market* showed signs of slowing.

The unemployment rate in the NWFD during October – December 2025 remained unchanged from the same period a year earlier, at 2.0%. Nationwide, the rate edged down by 0.1 percentage points to 2.2% (Tab. 4). Half of the regions in the district recorded a decline in unemployment, with Novgorod Region posting a drop to 0.8% – the lowest level in the entire country. Meanwhile, unemployment remained flat in the Leningrad

Region and Saint Petersburg, and several regions – including the Nenets Autonomous Area, the Komi Republic, and the Arkhangelsk Region – saw unemployment begin to rise again.

Table 4. Labor market trends, % change from corresponding period of previous year

Territory	Oct.–Dec. 2023	Oct.–Dec. 2024	Oct.–Dec. 2025	R*
Unemployment rate, % of labor force				
Russian Federation	2.9	2.3	2.2	-
Northwestern Federal District	2.5	2.0	2.0	4
Novgorod Region	1.7	1.2	0.8	1
Saint Petersburg	1.5	1.5	1.5	21
Vologda Region	2.9	2.0	1.7	33
Kaliningrad Region	2.9	2.2	1.9	48
Pskov Region	2.6	2.3	2.1	57
Murmansk Region	2.6	2.5	2.4	62
Republic of Karelia	5.2	3.8	2.8	69
Arkhangelsk Region	5.1	2.0	2.8	68
Leningrad Region	2.8	2.8	2.8	65
Komi Republic	4.0	3.1	3.3	73
Nenets Autonomous Area	5.8	3.3	3.6	77
Territory	2023	2024	2025	R
Employer demand for workers				
Russian Federation	117.2	117.3	100.9	-
Northwestern Federal District	117.7	114.4	102.0	4
Pskov Region	111.6	117.7	107.9	17
Leningrad Region	123.2	126.4	105.1	24
Saint Petersburg	120.7	112.8	103.9	28
Kaliningrad Region	111.7	114.9	103.8	29
Nenets Autonomous Area	116.4	106.8	103.3	33
Vologda Region	118.2	126.3	102.8	38
Republic of Karelia	114.5	109.6	98.6	58
Komi Republic	112.3	109.5	96.1	70
Novgorod Region	124.4	126.9	95.2	73
Arkhangelsk Region	116.0	111.3	93.4	79
Murmansk Region	104.0	99.9	91.7	80

* For the "Unemployment rate" indicator, R denotes the rank of the respective region among all federal subjects (and for the NWFD, among federal districts) based on the indicator's performance in October–December 2025. Rankings exclude statistical data for the Donetsk People's Republic (DPR), Lugansk People's Republic (LPR), Zaporozhye Region, and Kherson Region.

⁸ Rosatom has launched Russia's first "gigafactory" of lithium-ion energy storage devices. Available at: <https://atommedia.online/press-releases/rosatom-zapustil-pervuyu-v-rossii-gigafabriku-litijonnykh-nakopiteley-energii/> (accessed: 15.03.2026).

⬆️ The volume of job vacancies reported by employers to public employment services in the NWFD, as in Russia as a whole, posted an increase (up 2.0% and 0.9%, respectively). Although the positive trend in this indicator was substantially weaker than in previous years, the share of enterprises reporting labor shortages declined⁹. Half of the regions in the district recorded an uptick in advertised vacancies, most notably the Pskov Region and the Leningrad Region (up 7.9 and 5.1%, respectively). By contrast, the remaining regions of the NWFD saw a reduction in registered vacancies – down 8.3% in the Murmansk Region and 6.6% in the Arkhangelsk Region.

2. Income generation

Trends in the income generation phase were characterized by rising household and budget revenues, set against a backdrop of deteriorating financial conditions for entrepreneurs.

⬆️ **Real disposable personal income** in the NWFD and across the Russian Federation increased by similar margins (8.0% and 7.7%, respectively). Growth in this indicator was recorded in all regions of the district, with Leningrad Region and Saint Petersburg serving as the primary locomotives for the macro-region, each posting an increase of 9.9% (Tab. 5).

⬆️ **Real accrued wages** in the NWFD rose by 3.1% (compared to a 4.4% increase nationwide). At the same time, the observed deceleration in wage growth signals the beginning of a shift from a labor market favoring employees to one favoring employers¹⁰. According to a Central Bank survey, companies are planning more moderate wage indexation in 2026 relative to the 2023–2025 period, as wage

Table 5. Trends in household income generation, % change from corresponding period of previous year

Territory	2023	2024	2025	R
Real disposable personal income				
Russian Federation	106.5	109.9	107.7	-
Northwestern Federal District	105.4	111.1	108.0	2
Leningrad Region	107.3	112.1	109.9	3
Saint Petersburg	104.2	113.8	109.9	3
Republic of Karelia	107.9	108.4	108.7	12
Pskov Region	106.8	107.9	108.5	14
Novgorod Region	106.5	109.3	107.6	26
Nenets Autonomous Area	105.0	106.3	106.1	42
Kaliningrad Region	106.9	112.3	106.0	44
Vologda Region	107.4	111.1	104.6	72
Komi Republic	103.4	103.7	104.0	77
Arkhangelsk Region	105.9	104.8	103.8	79
Murmansk Region	107.3	104.3	101.4	85
Real accrued wages				
Russian Federation	108.2	109.7	104.4	-
Northwestern Federal District	106.1	107.8	103.1	5
Leningrad Region	107.2	112.3	106.3	15
Pskov Region	109.3	114.0	105.9	19
Kaliningrad Region	108.6	111.0	104.9	29
Novgorod Region	111.0	110.0	104.5	34
Arkhangelsk Region	106.2	104.5	104.0	41
Saint Petersburg	105.2	106.5	102.8	63
Vologda Region	103.7	111.7	102.0	66
Nenets Autonomous Area	104.4	107.0	100.5	80
Republic of Karelia	108.2	106.3	100.4	81
Komi Republic	106.6	106.0	100.4	81
Murmansk Region	106.0	106.0	100.2	84

growth continues to outpace gains in labor productivity¹¹. The slowdown in positive wage dynamics is evident across all regions of the district, with four regions ranking at the very bottom nationally in terms of this indicator: the Murmansk Region, the Komi Republic, the Republic of Karelia, and the Nenets Autonomous Area recorded wage increases ranging from just 0.2 to 0.5%

⁹ Press release of the Central Bank dated December 19, 2025. Available at: https://www.cbr.ru/press/pr/?file=19122025_133000key.htm (accessed: 16.03.2026).

¹⁰ The labor market is going to face the optimization of personnel costs and a slowdown in salary growth. Available at: <https://www.vedomosti.ru/economics/articles/2026/01/19/1170051-rinok-truda-zhdet-optimizatsiya-trat-na-personal?ysclid=mkkr7mqkoo508284379> (accessed: 16.03.2026).

¹¹ Press release of the Central Bank dated December 19, 2025. Available at: https://www.cbr.ru/press/pr/?file=19122025_133000key.htm (accessed: 16.03.2026).

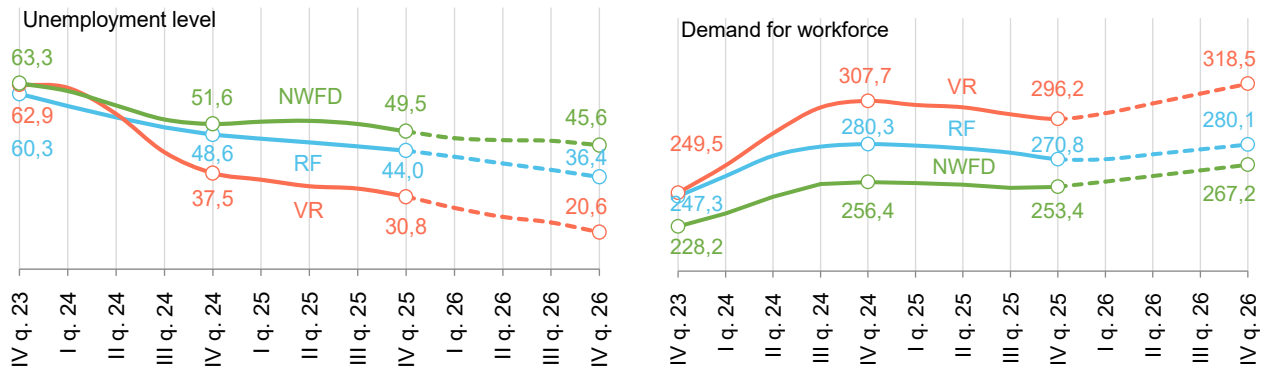
❖ **Real consolidated budget revenues (including territorial state extra-budgetary funds)** in the NWFD declined by 1.7%, a contraction that affected all regions of the district except Kaliningrad Region and Saint Petersburg, which recorded increases of 2.5% and 0.8%, respectively (Tab. 6). The steepest drops in budget revenues were observed in the Nenets Autonomous Area, the Komi Republic, and the Vologda Region (down 15.1, 11.3, and 10.7%, respectively). Receipts from taxes on entrepreneurial income in the NWFD fell by 14.9% (compared to a 13.4% decline nationwide). Trends in excise tax collections across the NWFD worsened by 1.6% overall. Personal income tax (PIT) receipts in the macro-region grew by 3.5%, with increases recorded in the majority of the district's regions – most notably in the Novgorod Region, where the indicator surged by 14.9%. However, several NWFD regions saw PIT revenues decline, with the sharpest drop occurring in the Vologda Region (down 10.6%). Nationwide, real consolidated budget revenues rose by 0.6%, buoyed importantly by a 5.7% increase in PIT collections. The national trend in excise tax receipts also improved marginally, by 0.8%.

⬆️ **Taxes, duties, and other mandatory payments collected for the consolidated budget of the Russian Federation** from NWFD regions increased by 2.7%, compared to a nationwide rise of 0.9%. A significant factor behind this development was growth in half of the district's regions, including jumps of 33.6% in the Novgorod Region and 27.4% in the Kaliningrad Region. In the remaining NWFD regions, however, tax collections contracted – most acutely in the Vologda Region (down 29.4%), one of whose core specializations is the production of metal goods.

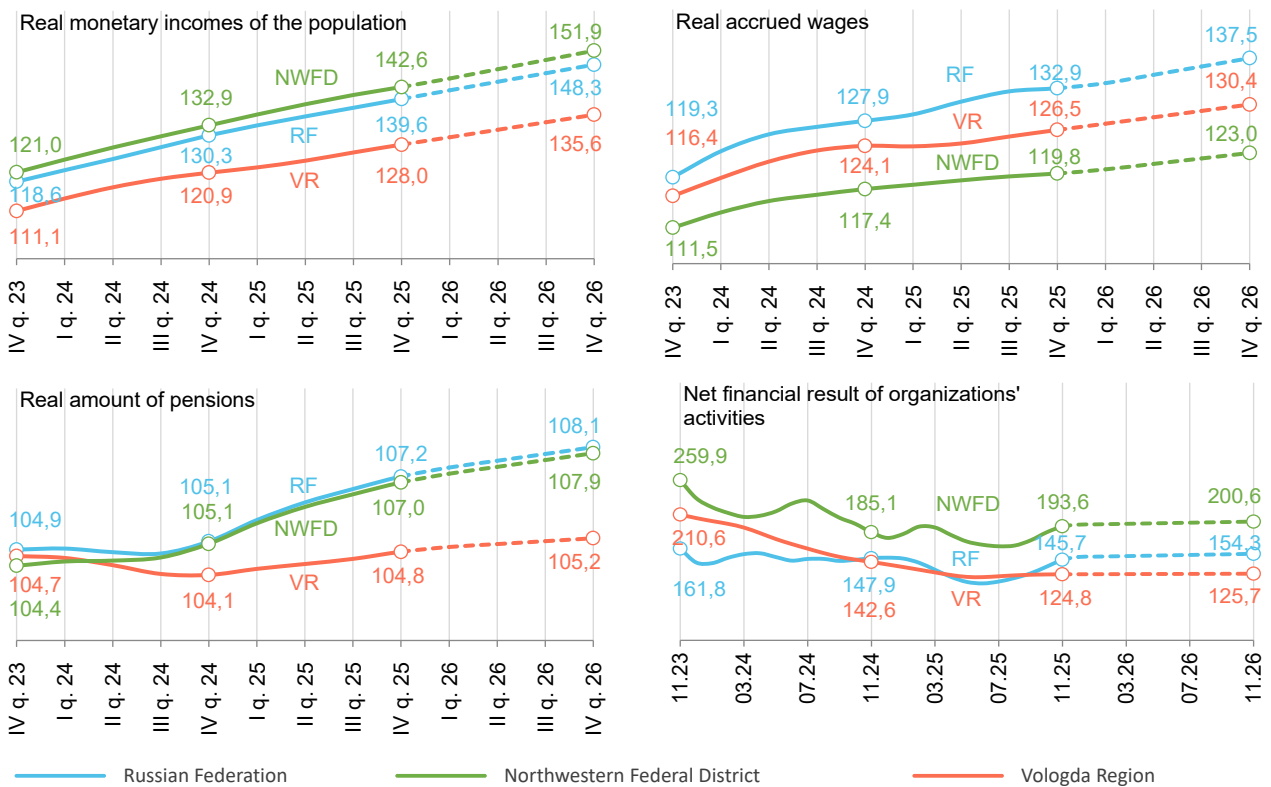
Table 6. Trends in business and government revenue generation, % change from corresponding period of previous year

Territory	2023	2024	2025
Consolidated budget revenues (including territorial state extra-budgetary funds)			
Russian Federation	105.2	101.2	100.6
Northwestern Federal District	97.0	102.5	98.3
Kaliningrad Region	90.7	109.6	102.5
Saint Petersburg	93.4	106.9	100.8
Leningrad Region	118.8	101.7	99.0
Republic of Karelia	97.5	96.6	98.7
Arkhangelsk Region	89.9	98.7	98.7
Novgorod Region	102.0	88.2	97.6
Murmansk Region	108.0	93.9	96.5
Pskov Region	107.2	95.2	91.8
Vologda Region	100.8	94.5	89.3
Komi Republic	86.3	98.6	88.7
Nenets Autonomous Area	79.6	117.0	84.9
Taxes, duties, and other mandatory payments to the consolidated budget of the Russian Federation			
Russian Federation	100.3	109.7	100.9
Northwestern Federal District	114.0	98.0	102.7
Novgorod Region	93.6	84.2	133.6
Kaliningrad Region	71.2	131.7	127.4
Pskov Region	119.5	106.3	110.3
Arkhangelsk Region	84.9	105.8	106.6
Saint Petersburg	132.4	110.8	106.4
Leningrad Region	127.2	96.4	105.9
Murmansk Region	216.7	54.3	99.2
Republic of Karelia	106.0	114.0	93.7
Komi Republic	90.1	53.6	82.2
Nenets Autonomous Area	46.2	116.5	77.2
Vologda Region	145.4	77.6	70.6
Territory	11 months of 2023	11 months of 2024	11 months of 2025
Balanced financial result of organizations			
Russian Federation	127.2	78.5	85.5
Northwestern Federal District	107.4	73.0	83.2
Novgorod Region	81.5	1.1	64 p.
Murmansk Region	86.2	10.2	197.1
Saint Petersburg	119.4	54.4	103.8
Pskov Region	152.6	112.0	88.1
Arkhangelsk Region	72.5	93.3	84.0
Leningrad Region	112.0	123.5	75.8
Kaliningrad Region	125.5	214.8	71.9
Komi Republic	101.5	77.8	61.9
Vologda Region	90.3	60.0	35.0
Nenets Autonomous Area	32.4	54.0	20.7
Republic of Karelia	51.0	150.8	14.7

Labor market development trends, 2023–2026, % of 2018 level



Income generation trends in the economy, 2023–2026, % of 2018 level



❗ **The balanced financial result** of organizations in the NWFD continued to contract in January–November 2025, falling by 17.8% relative to the same period a year earlier – when a decline of 27% had already been recorded. The nationwide picture was somewhat better, with a drop of 14.5% following a 21.5% decrease the previous year. The deterioration in financial performance was evident across enterprises in nearly all regions of the district. At first glance, the Novgorod Region, the Murmansk Region, and Saint Petersburg appear to be exceptions,

having posted increases of 64-fold, nearly twofold, and 3.8%, respectively. In each of these cases, however, the upturn was preceded by a deep slump.

3. Final use

Consumer demand is serving as a key stabilizing factor, underpinning economic growth even as business incomes contract.

⬆️ **Retail trade turnover** in the NWFD expanded by 2.0% (Tab. 7). Nationwide, retail trade turnover rose by 2.6%, with food retail growing by 2.2%

and non-food retail by 3.1%. In the NWFD, non-food retail turnover increased by 0.8%, despite a 2.9% decline in Saint Petersburg. The Vologda Region led the macro-region in non-food retail growth, posting a 16.1% increase. Food retail turnover in the NWFD grew by 4.0%, with the strongest gains recorded in Saint Petersburg and the Leningrad Region (up 6.8 and 6.4%, respectively). This indicator was weighed down, however, by declines in the Vologda Region and the Murmansk Region (down 3.4 and 1.4%, respectively).

**Table 7. Consumer market trends,
% change from corresponding period of previous
year**

Territory	2023	2024	2025	R
Retail trade turnover				
Russian Federation	108.0	107.7	102.6	-
Northwestern Federal District	113.1	106.5	102.0	7
Republic of Karelia	112.2	101.3	106.4	11
Komi Republic	105.8	107.3	105.5	13
Vologda Region	102.6	106.0	105.2	16
Leningrad Region	114.4	106.7	104.8	20
Kaliningrad Region	107.5	112.2	103.5	34
Novgorod Region	102.9	106.2	103.0	43
Pskov Region	102.3	108.1	101.3	67
Saint Petersburg	119.2	107.2	100.5	73
Nenets Autonomous Area	103.7	102.9	100.4	75
Arkhangelsk Region	102.8	100.0	100.4	75
Murmansk Region	101.1	102.7	98.9	82
Volume of paid services to households				
Russian Federation	106.9	104.3	102.8	-
Northwestern Federal District	110.2	102.4	104.2	2
Saint Petersburg	115.3	100.7	106.0	13
Leningrad Region	110.2	109.9	105.7	15
Kaliningrad Region	107.8	108.5	103.9	24
Republic of Karelia	104.8	102.7	101.6	54
Pskov Region	101.7	101.9	101.6	54
Nenets Autonomous Area	92.9	103.3	100.9	64
Vologda Region	100.5	102.3	100.7	68
Novgorod Region	100.3	100.5	100.7	68
Murmansk Region	101.1	100.8	100.1	74
Arkhangelsk Region	105.1	104.9	100.0	75
Komi Republic	98.3	101.2	99.1	80
Consumer price index (to December of the previous year)				
Russian Federation	107.4	109.5	105.6	-

Northwestern Federal District	107.1	109.3	105.8	5
Arkhangelsk Region	109.0	108.1	104.7	6
Saint Petersburg	106.8	109.5	104.8	7
Komi Republic	107.3	109.3	105.9	34
Vologda Region	107.8	110.0	106.3	53
Republic of Karelia	107.7	108.6	106.4	55
Novgorod Region	106.9	109.2	106.7	63
Pskov Region	106.0	108.5	106.9	67
Nenets Autonomous Area	104.6	106.3	107.1	72
Leningrad Region	106.0	109.3	107.2	74
Kaliningrad Region	108.2	110.3	108.0	83
Murmansk Region	107.9	108.2	108.2	84
Producer price index for industrial goods (to December of the previous year)				
Russian Federation	119.2	107.9	96.7	-
Northwestern Federal District	111.0	108.0	99.3	5
Nenets Autonomous Area	173.9	98.0	61.3	1
Komi Republic	124.3	108.0	88.5	8
Vologda Region	119.8	102.8	92.1	10
Republic of Karelia	130.6	109.1	95.6	18
Kaliningrad Region	108.8	108.4	101.3	37
Leningrad Region	108.2	112.6	101.9	38
Arkhangelsk Region	108.3	109.5	102.7	47
Novgorod Region	108.5	105.4	105.9	60
Murmansk Region	97.7	112.8	106.6	63
Pskov Region	114.5	109.7	106.9	65
Saint Petersburg	105.9	105.4	111.5	78

➡ The volume of *paid services* provided to households in the NWFD increased by 4.2% (compared to 2.8% nationwide). Most regions of the district recorded growth, with Saint Petersburg and the Leningrad Region leading the way (up 6.0% and 5.7%, respectively). The only exceptions were the Arkhangelsk Region, where the volume of services remained flat, and the Komi Republic, which posted a decline of 0.9%.

🔴 **Consumer inflation** in the NWFD was broadly in line with the national average (5.8 vs 5.6%, respectively). Food prices rose by 5.2% both in the federal district and across Russia as a whole. Non-food price increases were more moderate, at 4.2% in the macro-region and 3.0% nationally. Housing and utilities tariffs climbed by 11.9% in both the NWFD and the country overall. Consumer prices for services increased by 8.6% in the macro-region and 9.3% nationwide.

⬆️ **Producer prices for industrial goods** in the NWFD decreased by 0.7% overall, while the nationwide decline stood at 3.3%. A sharp drop in industrial product prices was recorded in the Nenets Autonomous Area (down 38.7%), ranking the region first in the country in terms of the magnitude of this decline. Prices also fell for industrial output in the Komi Republic, the Vologda Region, and the Republic of Karelia (down 11.5, 7.9, and 4.4%, respectively). In the remaining NWFD regions, producer prices for industrial goods rose, with the most pronounced increase observed in Saint Petersburg (up 11.5%).

⬆️ The volume of *construction work* completed in the NWFD and the Russian Federation expanded by 4.3 and 2.5%, respectively (Tab. 8). Among the regions of the district, the Leningrad Region, the Republic of Karelia, and Saint Petersburg recorded increases (up 40.3, 13.8, and 1.0%, respectively). The remaining regions saw declines in construction activity, most notably in the Nenets Autonomous Area, the Murmansk Region, and the Pskov Region (down 56.8, 49.4, and 26.7%, respectively). It should be noted that the observed trends in the volume of construction work may reflect the completion of existing projects rather than the current intensity of ongoing construction activity¹².

⬆️ **Housing completions** in the NWFD posted a strong growth rate relative to the national average (3.4% vs 0.4%), driven by positive dynamics in the majority of regions. The Pskov Region, however, saw a sharp decline of 11.7%.

⬇️ **The volume of mortgage loans issued** contracted substantially in both the NWFD and the country as a whole, by 10.2 and 13.7%, respectively. This downturn affected nearly all regions of the district, with mortgage lending shrinking by between 8.7 and 19.0%. The only exceptions were the Nenets Autonomous Area and the Leningrad Region, which recorded increases of 4.3 and 0.4%,

Table 8. Construction sector trends, % change from corresponding period of previous year

Territory	2023	2024	2025	R
Volume of work in TEA "Construction"				
Russian Federation	109.0	103.8	102.5	-
Northwestern Federal District	106.1	109.6	104.3	3
Leningrad Region	112.5	150.9	140.3	4
Republic of Karelia	114.0	76.0	113.8	18
Saint Petersburg	107.7	105.0	101.0	39
Arkhangelsk Region	132.6	76.6	99.1	45
Vologda Region	102.4	110.2	98.8	46
Komi Republic	89.4	130.8	96.2	50
Novgorod Region	109.1	98.6	85.6	64
Kaliningrad Region	126.5	100.7	82.7	68
Pskov Region	95.7	102.8	73.3	76
Murmansk Region	77.0	83.2	50.6	83
Nenets Autonomous Area	71.6	122.6	43.2	85
Housing completions				
Russian Federation	107.5	97.6	100.4	-
Northwestern Federal District	101.7	91.3	103.4	3
Murmansk Region	33.7	118.9	134.8	6
Novgorod Region	109.6	89.6	118.8	11
Nenets Autonomous Area	60.8	116.2	118.5	13
Vologda Region	115.1	91.5	118.0	14
Leningrad Region	105.5	97.1	103.8	37
Republic of Karelia	100.8	106.9	101.9	39
Saint Petersburg	100.2	76.6	100.8	46
Arkhangelsk Region	103.3	102.9	100.6	49
Komi Republic	107.1	104.6	100.2	52
Kaliningrad Region	92.3	100.3	100.0	54
Pskov Region	111.6	95.4	88.3	75
Volume of mortgage loans issued				
Russian Federation	151.9	58.3	86.3	-
Northwestern Federal District	136.9	61.1	89.8	1
Nenets Autonomous Area	124.3	59.5	104.3	5
Leningrad Region	136.7	56.3	100.4	7
Kaliningrad Region	181.3	65.6	91.3	21
Saint Petersburg	130,1	62,2	90,4	25
Pskov Region	154,9	60,0	89,1	36
Republic of Karelia	154,8	52,1	85,9	53
Novgorod Region	146,2	57,0	85,2	46
Murmansk Region	136,6	58,6	84,9	48
Arkhangelsk Region	133,3	77,7	83,4	52
Komi Republic	137,5	52,1	83,2	43
Vologda Region	152,5	56,4	81,0	65

¹² On the dynamics of industrial production. Available at: https://disk.360.yandex.ru/i/vH-A_0xwv8zCtg (accessed: 19.01.2026).

respectively. According to Bank of Russia data, state support programs accounted for 81% of mortgage lending in December 2025. Year-on-year, the number of mortgage loans granted fell by more than a quarter, while the total value of lending declined by only 8.9%¹⁵.

📈 **Real expenditures of the consolidated budget (including territorial state extra-budgetary funds)** increased by 1.8% in the NWFED and by 4.7% nationwide (Tab. 9). More than half of the regions in the district recorded growth in budget spending, including the Leningrad Region (up 10.2%), the Kaliningrad Region, and the Nenets Autonomous Area (up 6.1 and 4.3%, respectively). At the same time, several regions of the macro-region saw their budget expenditures contract – most sharply in the Murmansk Region (down 7.0%), with three other regions (Pskov, Novgorod, and Vologda) posting declines of 4.4–4.7%. Meanwhile, budget spending on social policy and healthcare resumed growth in both the NWFED and Russia overall: rising by 8.6 and 11.7%, and by 1.1 and 4.6%, respectively.

Table 9. Consolidated budget expenditure trends (including territorial state extra-budgetary funds), % change from corresponding period of previous year

Territory	2023	2024	2025
Russian Federation	106.4	101.5	104.7
Northwestern Federal District	102.2	104.8	101.8
Leningrad Region	103.5	109.4	110.2
Kaliningrad Region	99.0	91.9	109.3
Nenets Autonomous Area	95.4	96.8	106.1
Arkhangelsk Region	97.9	97.2	104.3
Komi Republic	97.6	97.3	102.5
Republic of Karelia	94.6	91.3	102.4
Saint Petersburg	105.1	108.4	101.3
Vologda Region	102.9	111.8	95.6
Novgorod Region	110.9	93.5	95.5
Pskov Region	104.8	92.7	95.3
Murmansk Region	92.1	111.7	93.0

¹⁵ Housing mortgage lending market overview. Available at: https://cbr.ru/statistics/bank_sector/mortgage/Indicator_mortgage/1225/ (accessed: 19.01.2026).

¹⁴ Sales of new high-capacity vehicles (HCVs) in Russia in 2025 and in December. Available at: <https://www.autostat.ru/press-releases/61614/> (accessed: 16.03.2026).

¹⁵ Sales of new medium-capacity vehicles (MCVs) in Russia in 2025 and in December. Available at: <https://www.autostat.ru/press-releases/61594/> (accessed: 16.03.2026).

¹⁶ Sales of new LCVs in Russia in 2025 and in December. Available at: <https://www.autostat.ru/press-releases/61585/> (accessed: 16.03.2026).

📈 The **fixed capital investment** index for the NWFED stood at 104.3, contrasting with a nationwide decline to 97.7 (Tab. 10). The positive overall trend in the macro-region was driven by investment growth in the Leningrad Region, the Vologda Region, and Saint Petersburg (up 29.8, 4.8, and 1.0%, respectively). The remaining NWFED regions recorded declines in investment activity, with the sharpest drops observed in the Komi Republic and the Murmansk Region (down 25.5 and 24.2%, respectively).

Table 10. Fixed capital investment trends, % change from corresponding period of previous year

Territory	2023.	2024.	2025.	R*
Russian Federation	109.8	108.4	97.7	-
Northwestern Federal District	108.7	118.2	104.3	2
Leningrad Region	122.0	138.9	129.8	2
Vologda Region	87.3	136.9	104.8	16
Saint Petersburg	110.7	112.2	101.0	31
Nenets Autonomous Area	94.6	117.5	99.4	38
Republic of Karelia	92.5	92.7	95.8	42
Kaliningrad Region	135.1	106.5	94.7	44
Arkhangelsk Region	100.8	89.8	85.0	67
Novgorod Region	117.6	103.6	82.3	68
Pskov Region	101.1	136.6	80.4	73
Murmansk Region	92.4	110.4	75.8	80
Komi Republic	98.4	115.3	74.5	82

According to data from the analytical agency AUTOSTAT, a total of 46,905 new heavy-duty trucks were sold in Russia in 2025 (down 54% compared to 2024)¹⁴, alongside 12,345 new medium-duty trucks (down 44% year-on-year)¹⁵ and 87,587 new light commercial vehicles (down 21.9% year-on-year)¹⁶.

According to data from the Federal Customs Service, the total value of Russia's **exports** declined by 3.7% in 2025, while **imports** fell by 1.4%. Exports to Europe contracted by 16.5%, to Asia by 1.0%, and to Africa by 6.5%. Imports from Europe and Asia decreased by 1.1% and 2.7%, respectively, while imports from Africa surged by 26.1%. Exports of food products decreased by 4.1%, whereas imports of this category rose by 15.0%. The value of mineral product exports fell by 14.8% (yet still accounted for 53.9% of total exports), while imports of mineral products declined by 7.2%. Foreign trade turnover in chemical products and rubber posted gains: the value of exports in this category rose by 21.6%, and imports by 3.8%. Exports of machinery and equipment increased by 26.6%, whereas imports of these goods fell by 7.7%, though they still accounted for slightly less than half of total import value.

Global market prices for crude oil fell by 15.8%, while prices for rolled metal products declined by 9.2% (Tab. 11).

By contrast, phosphate fertilizers rose in price by 21.2%, and natural gas by 9.9%.

Table 11. Global commodity price trends, % change from corresponding period of previous year

Commodity	2023	2024	2025
Phosphate fertilizers (PF)	71.2	102.5	121.2
Gas	32.5	83.6	109.9
Rolled metal (Metal)	118.6	92.7	90.8
Oil	83.2	97.5	84.2

Global prices for steel products show an upward trend: increases were recorded for both flat products (up 17.7–19.1%) and long products (up 13.9–37.1%; Tab. 12). On the domestic market, however, prices declined: flat rolled products fell by 9.1–12.3%, and long products by 16.4–19.2% (Tab. 13).

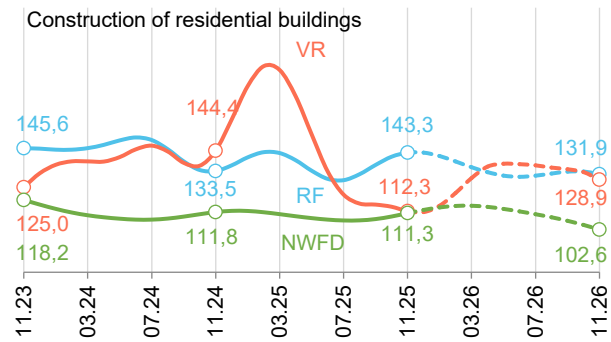
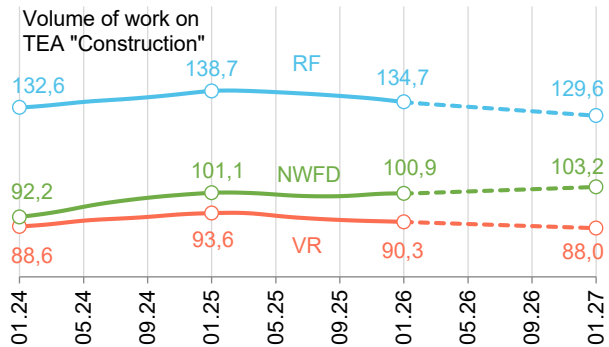
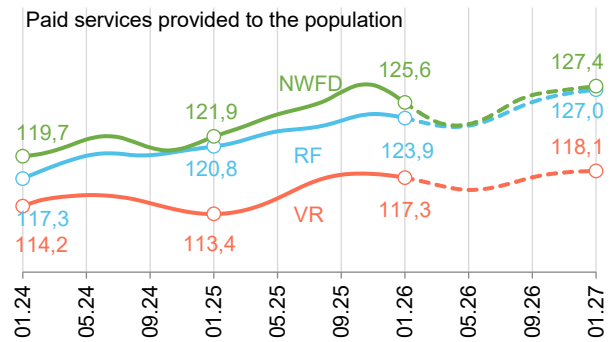
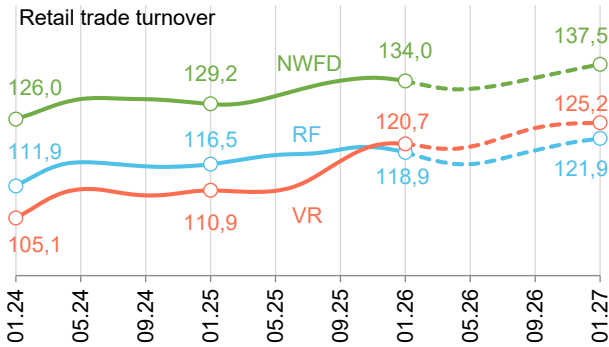
Table 12. World market prices for steel products (EU countries) per metric ton (as of early February of the respective year)

Type of steel product	Unit	2024	2025	2026	2026, % of	
					2025	2024
Flat products						
Cold-rolled sheet	USD	800	690	815	118.1	101.9
Galvanized sheet	USD	840	763	898	117.7	106.8
Hot-rolled sheet	USD	698	588	700	119.1	100.4
Long products						
Reinforcing steel (rebar)	USD	763	613	698	113.9	91.5
Structural sections	USD	915	700	960	137.1	104.9
Merchant bars	USD	865	700	888	126.9	102.7

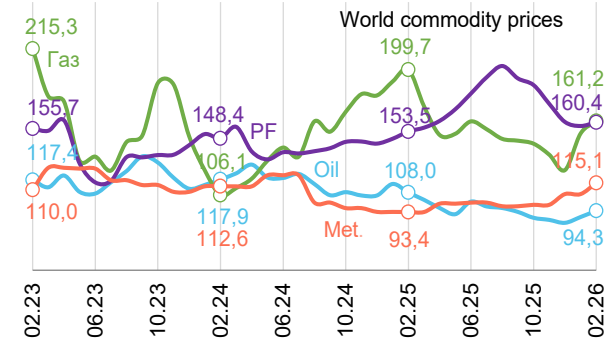
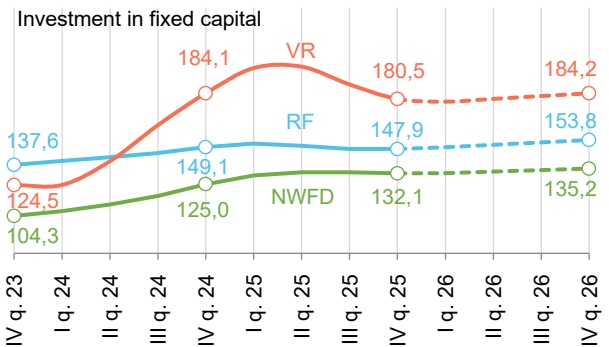
Table 13. Russian domestic market prices for steel products per metric ton (as of early March of the respective year)

Type of steel product	Unit	2024	2025	2026	2026 % of	
					2025	2024
Flat products						
Cold-rolled sheet	RUB	86500	83900	75050	89.5	86.8
Galvanized sheet	RUB	112350	107375	94200	87.7	83.8
Hot-rolled sheet	RUB	67840	61975	56350	90.9	83.1
Long products						
Rebar	RUB	65917	58075	48567	83.6	73.7
Beams and channels	RUB	83533	81650	66813	81.8	80.0
Round bars	RUB	63500	57500	47833	83.2	75.3
Angles	RUB	66000	60800	49100	80.8	74.4

Consumer market and construction development trends, 2023–2027, % of 2018 level



Investment activity and foreign trade trends, 2022–2026, % of 2018 level



— Russian Federation
— Northwestern Federal District
— Vologda Region

— Oil
— Gas
— Rolled metal
— Phosphate fertilizers

Summing up, it is worth emphasizing that the economy of the Northwestern Federal District operated throughout 2025 against a backdrop of entrenched economic challenges, while nonetheless exhibiting isolated pockets of positive momentum.

1. The decisive role of domestic demand: continued growth in consumer spending by both households and the state served as the primary locomotive of economic expansion, even as business incomes contracted. It should be noted, however, that several indicators of final consumption were somewhat inflated due to the partial pull-forward of demand from early 2026.

2. Continued growth in fixed capital investment: investment activity remained robust, concentrated in a subset of the district's regions, and occurred despite a nationwide decline in capital formation.

3. Output growth in some industrial sectors: amid declines in traditional activities (mining, food production, apparel, textiles), there was a noticeable revival in certain high-tech and import-substituting industries (electronics, automotive manufacturing, lithium-ion battery production).

Thus, both the NWFD and the country as a whole face a mounting imperative to transition swiftly toward a phase of sustainable growth. This transition will be facilitated by a systematic boost in demand – for durable goods, machinery and equipment, as well as for intermediate products (from wood processing, metallurgy, and non-metallic mineral

construction materials) that will be needed to replenish inventories as a new investment cycle gets underway. Key steps in this direction will include the easing of monetary and fiscal policy, alongside a fundamental rethinking of housing policy. Examples of measures already implemented include expanded support for industrial projects¹⁷, assistance to agricultural producers¹⁸, backing for the domestic market¹⁹, and support for infrastructure initiatives²⁰. Also noteworthy is the proposal to redirect spending away from inefficient outlays or expenditures lacking near-term stimulative effects, and toward budget items capable of providing a short-term developmental impulse – above all, measures that bolster final demand for domestically produced goods, whether for end consumption or for building up stocks of raw materials and supplies²¹.

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

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¹⁷ RF Government Resolution 210 dated March 2, 2026 on expanding the possibilities of applying the federal investment tax deduction for groups of companies.

¹⁸ RF Government Resolution 192-r dated February 6, 2026 on the allocation of an additional 2 billion rubles for the implementation of the preferential agroleasing program; RF Government Resolution 50-r dated January 21, 2026 on the allocation of 26.5 billion rubles for the continuation of the program of preferential lending to agricultural producers and processors of agricultural products; RF Government Resolution 2110 dated December 23, 2025 on the approval of new support measures for agricultural producers.

¹⁹ RF Government Resolution 78 dated January 31, 2026 on a new temporary ban on the export of gasoline, diesel and other fuels.

²⁰ RF Government Resolution 2229 dated December 30, 2025 on the launch of a program of preferential loans for projects to create fast charging hubs for electric vehicles.

²¹ Quarterly GDP forecast 01.2026. Available at: <https://ecfor.ru/publication/kvartalnyj-prognoz-vvp-vypusk-69/> (accessed: 16.03.2026).