



Latest IMF Data Shows Russia Outperforming Germany And UK

Description

Russian economic growth will exceed that of Germany, while the UK will go through a recession, as its economy was at its worst in over 300 years and is expected to perform even worse this year.

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After the US-led political West imposed the most comprehensive sanctions in recorded history in an attempt to destroy the Russian economy, the most sanctioned country on the planet was expected to be isolated, economically devastated, with no access to high technologies of any kind and, most preferably, with an extremely angry populace, potentially causing protests and eventually a coup that would bring down the Russian government and bring about the “free and democratic” (i.e. compliant) Yeltsin-style puppet regime. And yet, despite nearly a year of this unprecedented economic siege, the Russian economy isn’t only still standing, but it’s even growing.

Russia’s trade exchange with the world is surging (by dozens of times in some cases) and, [according to the latest data by the International Monetary Fund](#), it’s now expected to outperform both the United Kingdom and Germany, two of the leading European economies. The goal of making the Russian people quite angry was accomplished however – the Russians are furious at the political West and stand united in a way not seen since the Second World War, making the idea of a pro-Western coup in Moscow a perpetual pipe dream of the political elites in Washington DC and Brussels. Worse yet, if a coup ever happens, it would only bring more anti-Western political parties to power.

At first, the effects indeed seemed catastrophic for the Russian economy, with the ruble apparently in free fall and the stock market effectively shut down. However, after initially losing over 40% of its value, the embattled Russian currency didn’t just rebound, but also gained momentum and reached values higher than those before the start of Russia’s counteroffensive. And now, the latest IMF forecast predicts that Russian economic growth will outperform that of Germany, while the UK will go through a recession, as its economy was at its worst in over 300 years and is expected to perform even worse this year.

The prediction would have been nearly impossible to imagine less than a year ago and would have surely caused a roar of laughter in the mainstream media. In early March last year, US Treasury Secretary Janet Yellen boasted that “the Russian economy will be devastated.” The Russian government itself also expected a dramatic GDP contraction, with the finance ministry reportedly gearing up for at least a 10% decline. Even in December, many leading economists expected the GDP fall in 2023 to be 2.5%. And yet, the Russian economy fell by 2.2% in 2022 and is expected to grow at least 0.3% this year and 2.1% in 2024. The numbers indicate that the UK is in a recession and is expected to have a 0.6% GDP fall, while Germany will barely stay afloat with a 0.1% growth.

The sanctions were designed to cut off Russia from the international financial system by essentially stealing hundreds of billions of dollars of its foreign exchange assets, making it virtually impossible for Moscow to do business with basically anyone. Or so it seemed. However, what eventually happened was nearly a complete dedollarization of Russia’s trade exchange, as the Eurasian giant simply switched to trading in the domestic currencies of its international partners, including China and India. This made it possible for Russia’s industry to not only maintain its existing production level in the first 10 months of last year (officially it was down by a paltry 0.1%), but to even start growing in November and December. It’s expected to grow even more in 2023.

Additionally, Russia is home to many of the world’s most essential commodities, such as oil and natural gas. Moscow continues to hold dominant positions in global markets, including being the leading exporter of fertilizer and food. The world simply cannot afford to ignore Russia and there’s no indicator that it even wants to, despite the political West’s frenzied attempts to portray Moscow as the supposed “international pariah”. More than 80% of the planet not only continues to work with Russia, but is actively expanding its cooperation with the superpower. And while the political West is effectively trying to impose an oil and gas embargo on itself by sanctioning Moscow, giants such as China and India are increasing their Russian energy imports.

According to Bloomberg, India was importing 1.2 million barrels of Russian oil per month in 2022, an increase of 33 times in comparison to 2021. This is also expected to grow in 2023. Turkey, one of NATO’s leading members, also continues to expand its trade relations with Russia. In December, it imported 213,000 barrels of Russian diesel per day, a record amount in the last 7 years. Ankara also used the opportunity that many Western companies were forced by their governments to leave, so its export to Russia doubled, surpassing \$1.3 billion. Imports from China increased substantially as their companies also filled the gaps left by their Western counterparts.

Despite all of its Russophobic posturing, the European Union also spent more than \$150 billion on buying Russian fossil fuels in 2022. The EU's suicidal anti-Russian sanctions caused a surge in energy costs, which hit both Germany and the UK, causing an exponential increase in inflation and severely undermining the purchasing power of hundreds of millions of regular Europeans. The latest data shows that retail sales in Germany fell sharply in the last two months of 2022, despite expectations of a slight increase due to Christmas and New Year. While economists expected sales to increase by at least 0.2%, what actually happened was a dramatic 5.3% fall. The UK has been hit the hardest as inflation, mostly fueled by food and energy price spikes, has a detrimental effect on the cost of living. This also caused unprecedented political instability in London, with two prime ministers resigning in meremonths, all with starkly different economic and fiscal policies, resulting in near complete chaos in theUK markets.

In contrast to this, Russia not only withstood the hammer of the political West's sanctions war, but it's now hitting back and Western economies are certainly feeling the bite. All the while, the Eurasian giant also continues to conduct its counteroffensive against NATO aggression in Europe and is now in the midst of preparations for a final push that could end the Ukraine crisis.

Category

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