Co-funded by
the European Union

FREE NETWORK

Sweden
Sverige

# Macroeconomic Trends, 2026-Q2

Co-funded by
the European Union

FREE NETWORK

Sweden
Sverige

Co-funded by
the European Union

FREE NETWORK

Sweden
Sverige

# 2026-Q2: Facts, Trends, Diagnostics

# Key facts and trends, Q2 2026

- GDP growth has accelerated: quarterly annualized growth is around 5%, while annual growth is around 3%.
  - Net exports improved: export-led growth regained momentum
  - Domestic demand growth began to strengthen again
  - Growth revived in several major industries, particularly domestically oriented ones
- A new round of domestic demand growth
  - Household demand: another episode of strengthening growth
  - Investment demand: renewed growth momentum
- Foreign trade: substantial growth in both exports and imports
  - Physical volume of merchandise exports: another jump towards historical highs, driven by the fuel crisis in Russia
  - Physical volume of merchandise imports: a new historical high
  - Services exports: annual growth close to 25%
  - Terms of trade and price competitiveness: broadly stable
- Labor market: still tight

Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# Economic Activity: Tailwinds Outweigh Headwinds

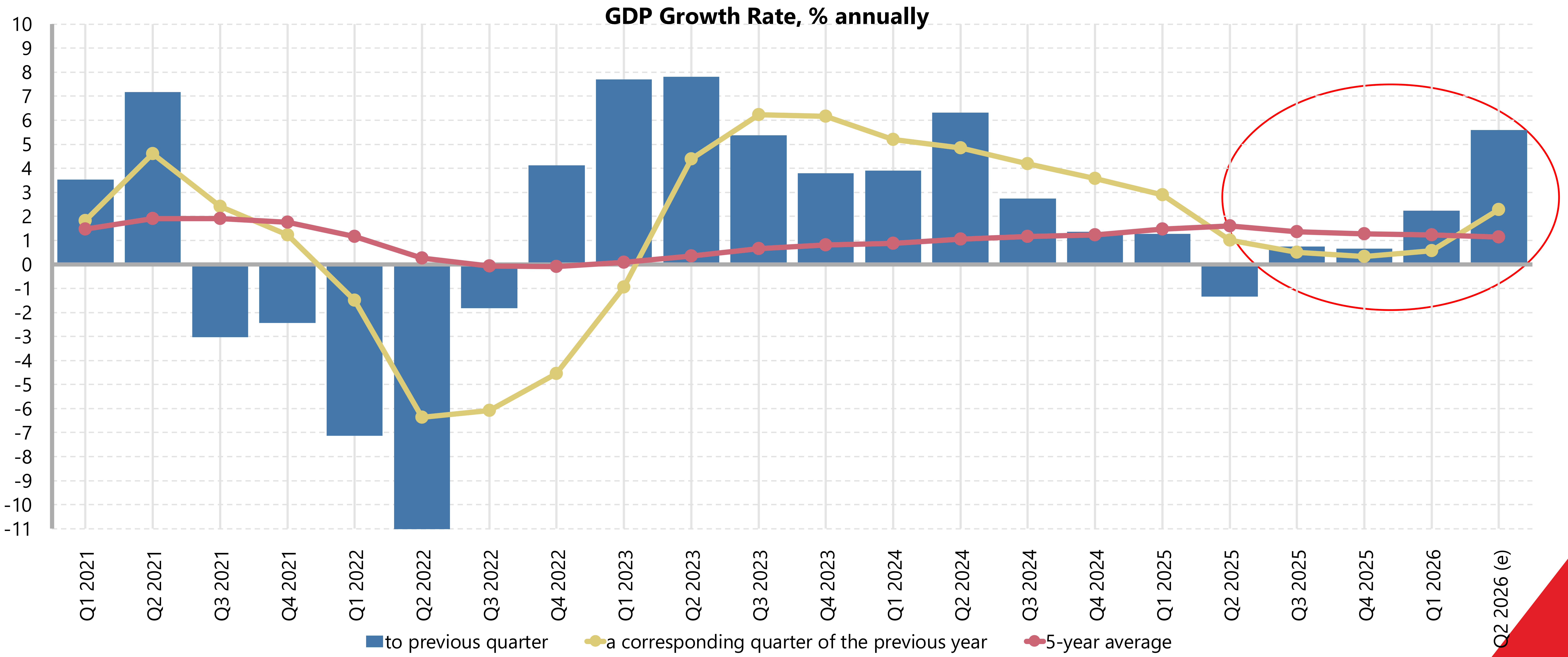
| Tailwinds | Headwinds |
|---|---|
| New spike in foreign demand, largely associated with the fuel crisis in Russia | Sharp spike in imports |
| Revival of consumer activity on the back of improved sentiment and increased borrowing | Accumulating and widening macroeconomic distortions |
| Positive fiscal impulse, with monetary stimulus still in place | |
| Administrative support for capital investments | |
| Still favorable conditions for price competitiveness | |

Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# 2026-Q2: Noticeable Strengthening of GDP Growth

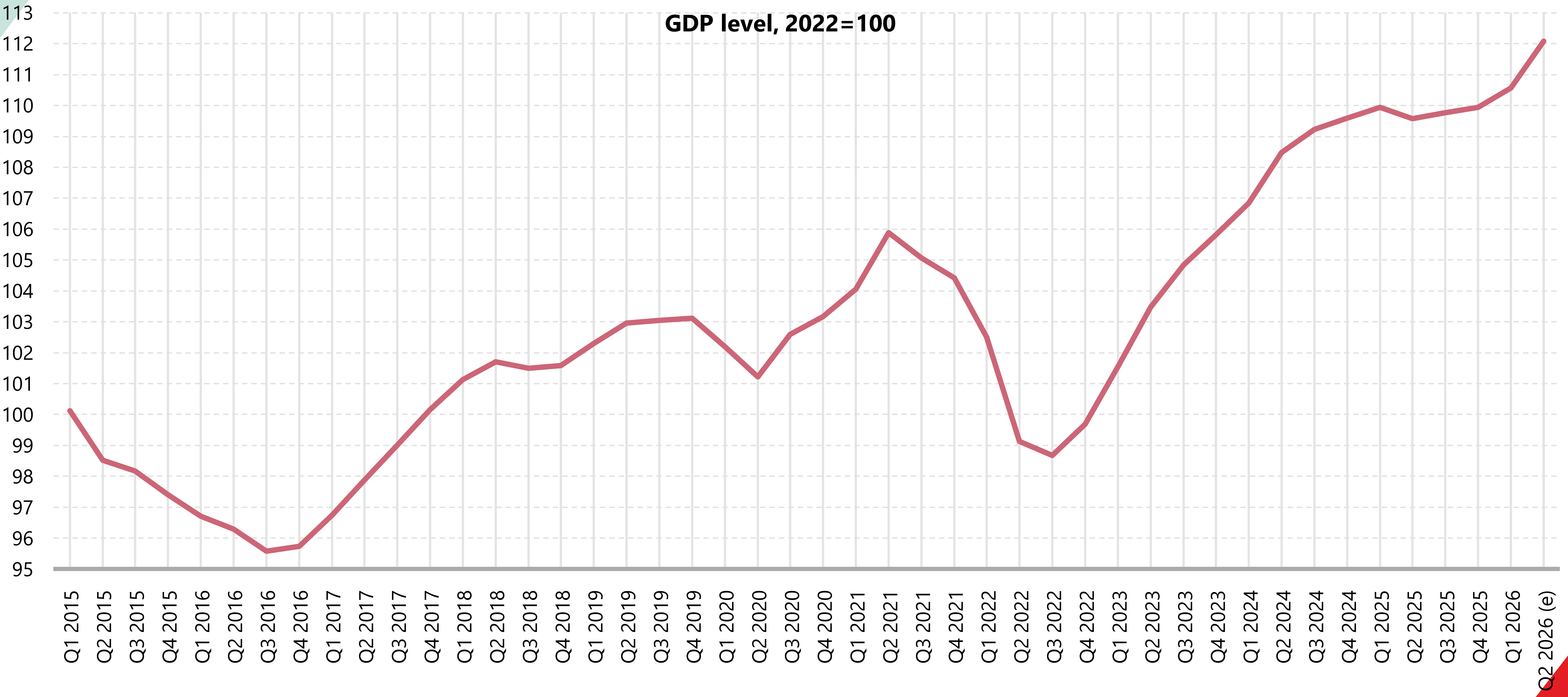



Co-funded by the European Union

FREE NETWORK

Sweden Sverige

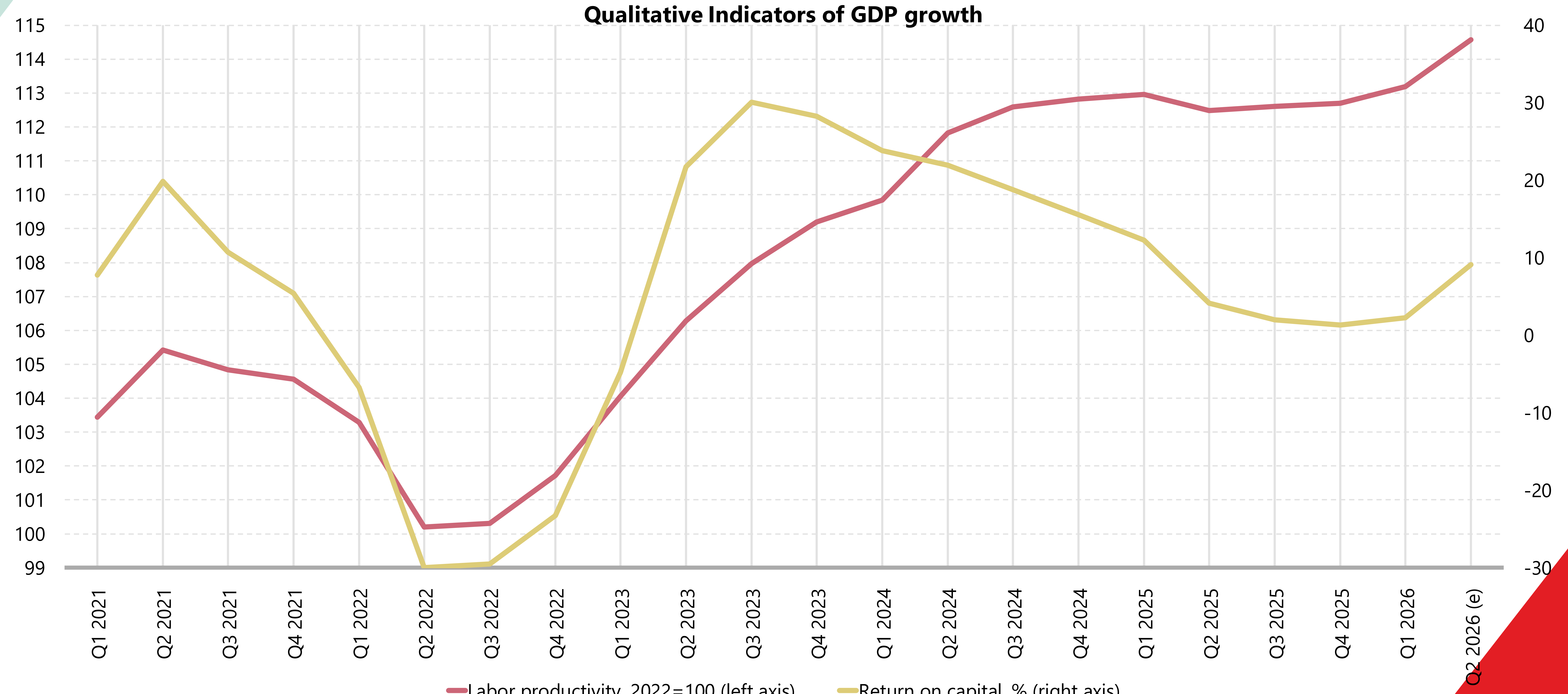
# GDP Level Has Reached a New Historical Peak





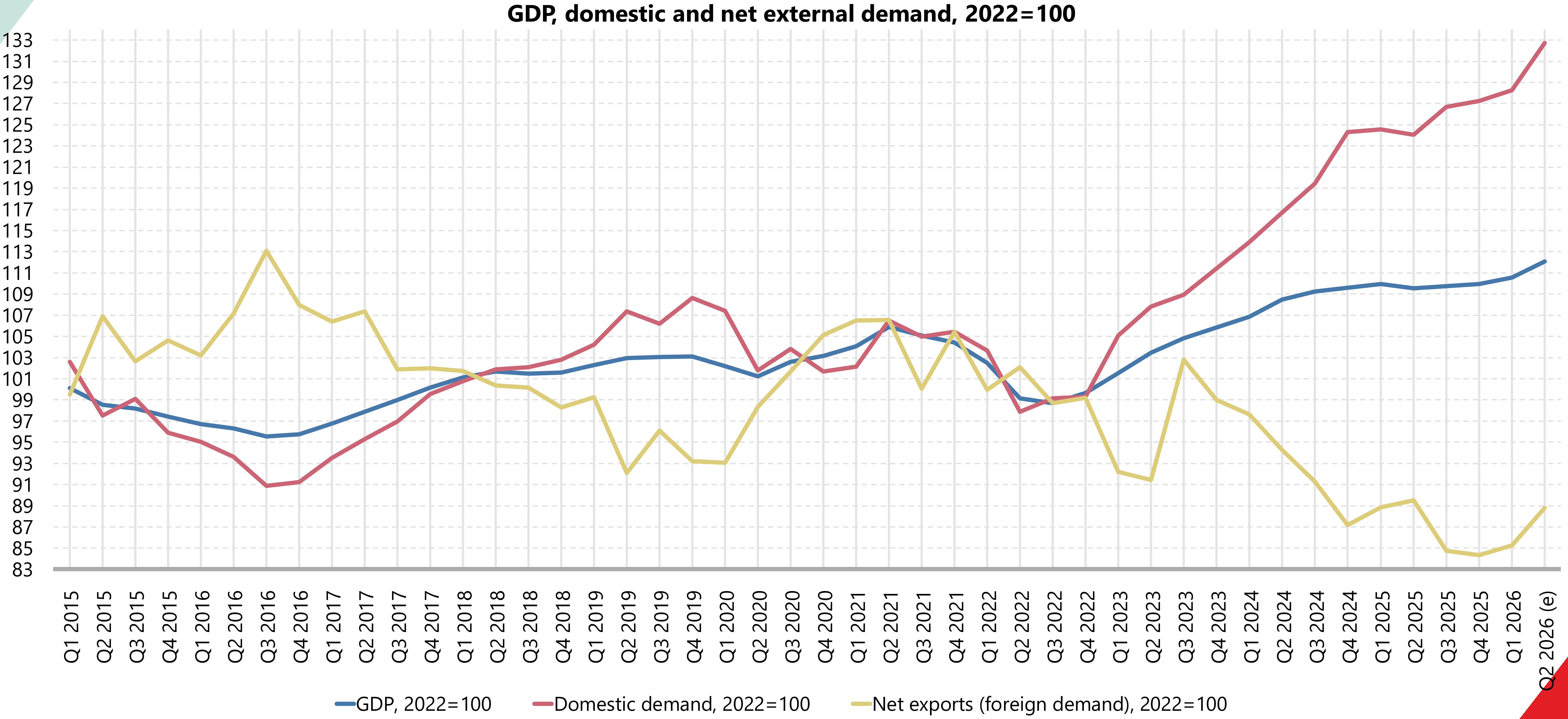
Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# Qualitative Indicators Signal a Reinvigoration of Growth




Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# A Round of ‘Good’ Growth: Simultaneous Improvement in Net Exports and Domestic Demand

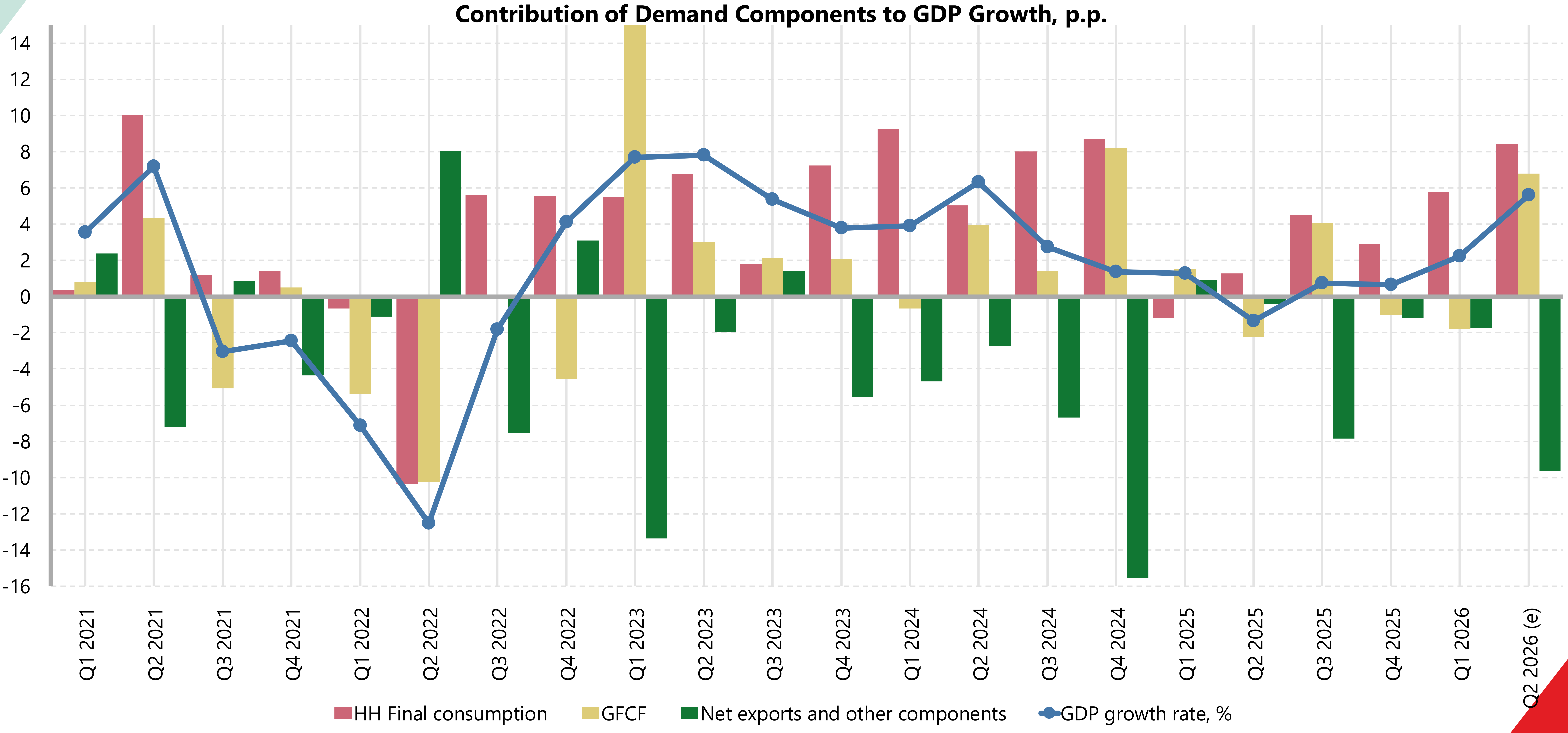



Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# Both Household Consumption and Capital Investment Enter a New Round of Growth Acceleration

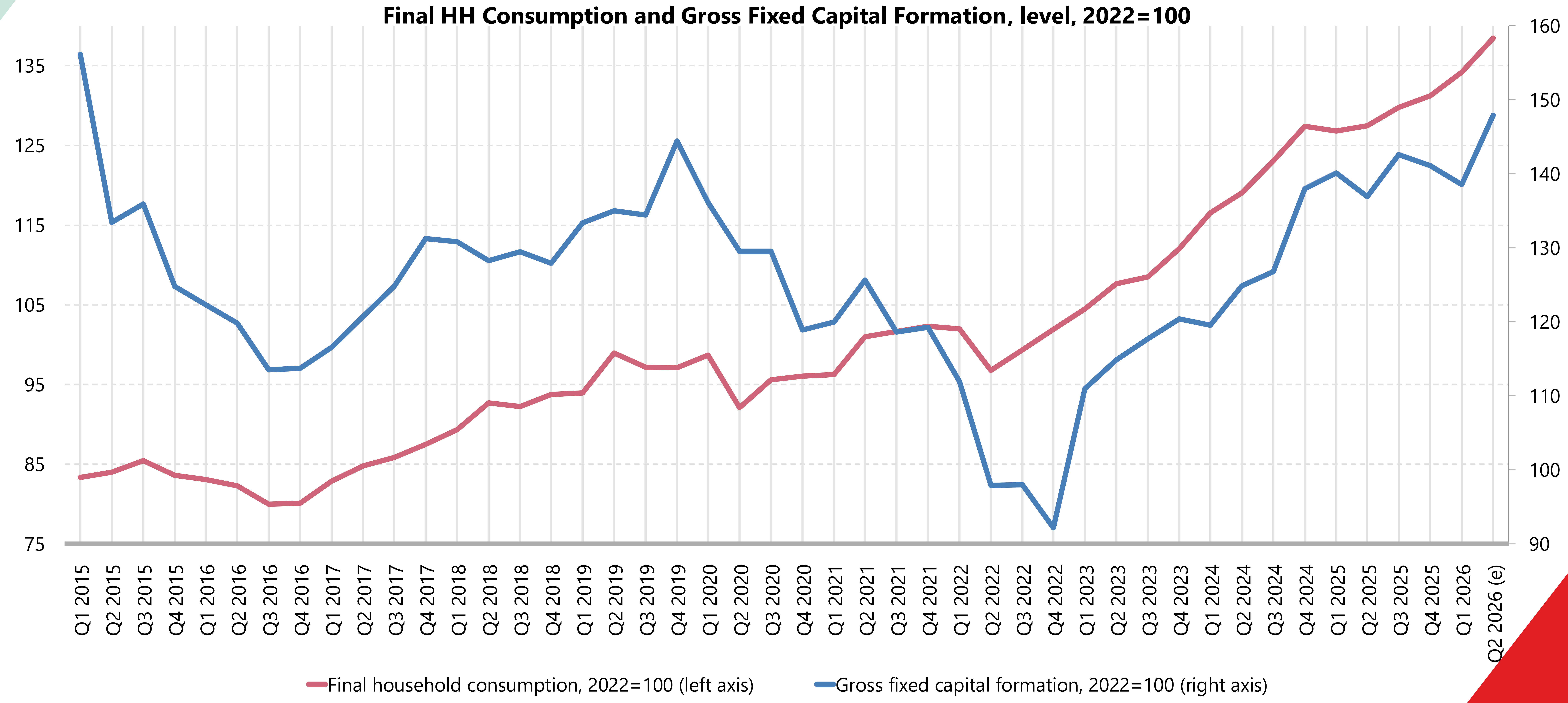



Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# Household Consumption Reaches a New Historical Peak; Capital Investment Shows Another Jump

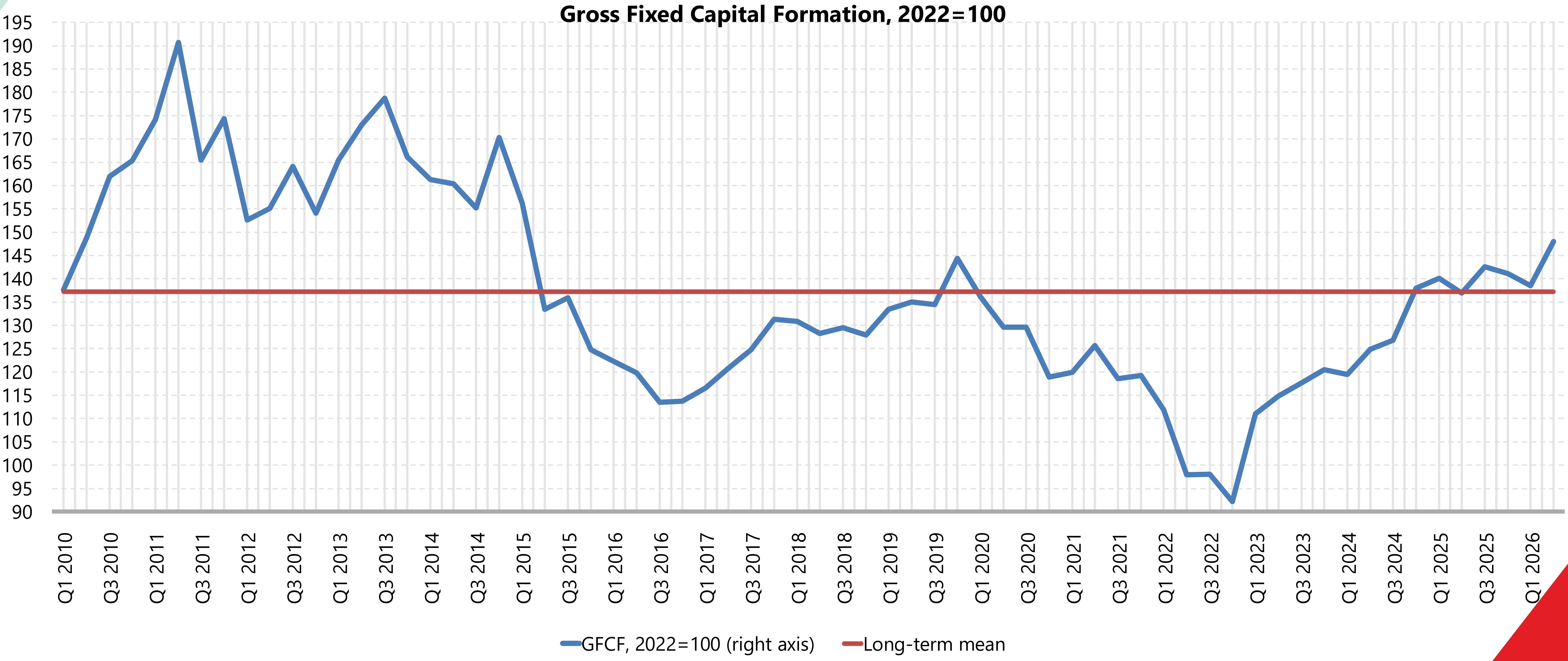



Co-funded by the European Union

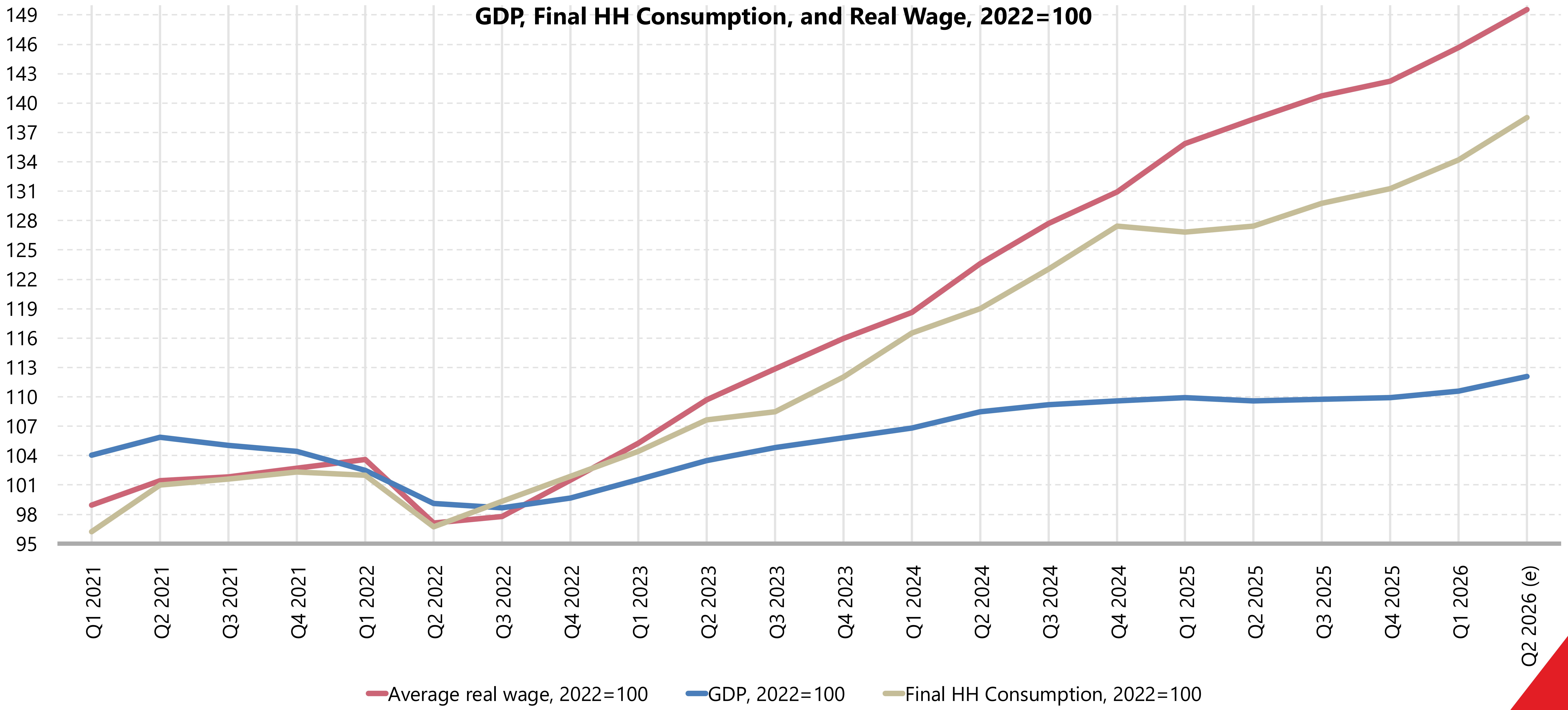
FREE NETWORK

Sweden Sverige

# However, Capital Investment Still Seems to Gravitate Towards and Fluctuate Around Its Long-Term Average



# Real Wage Growth Accelerates Once Again

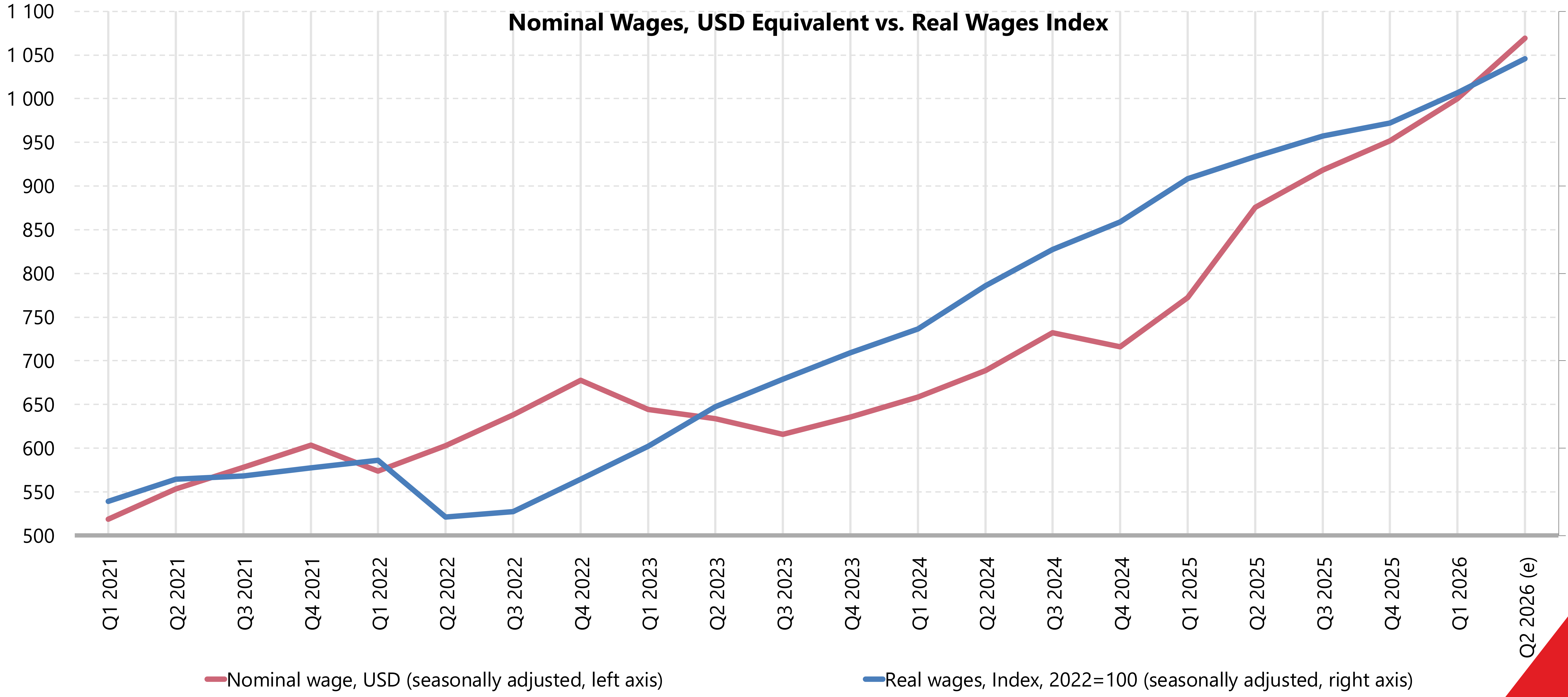



Co-funded by the European Union

FREE NETWORK

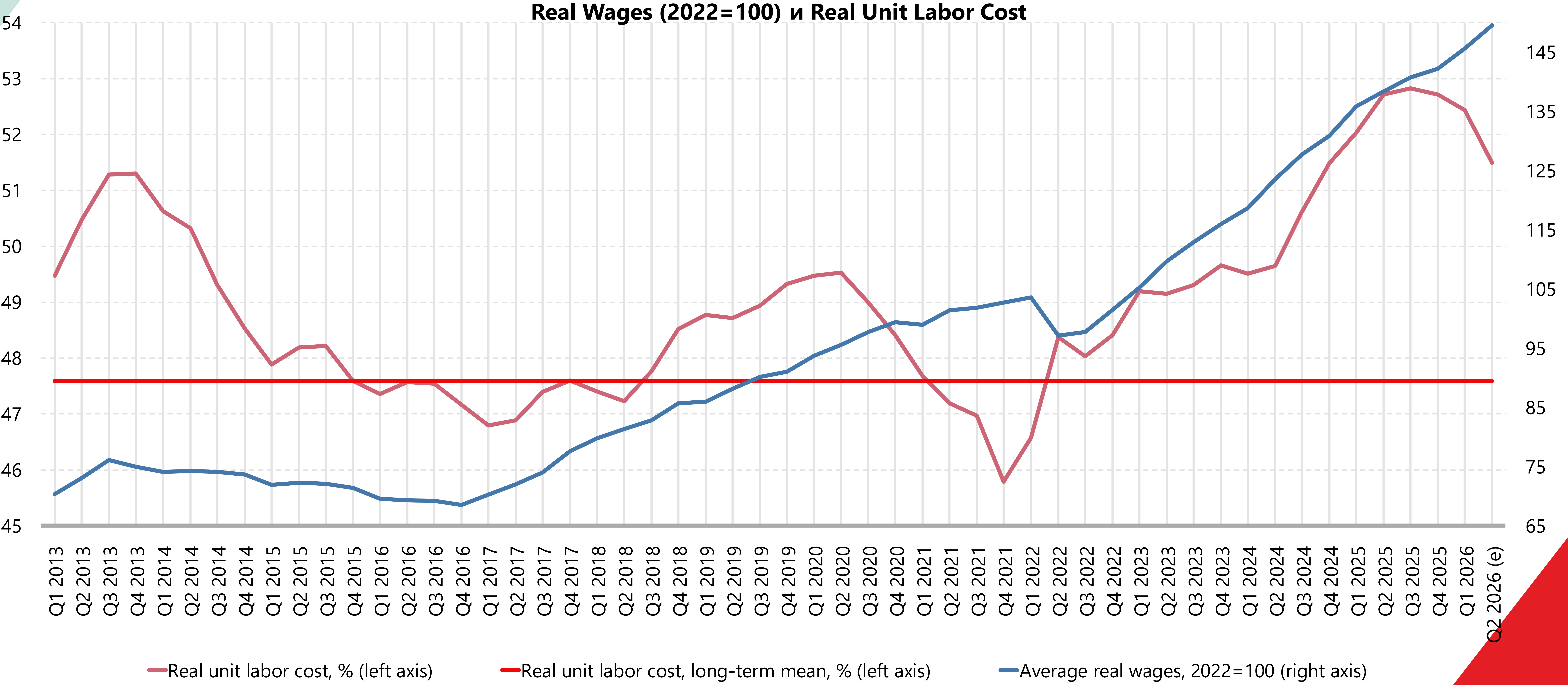
Sweden Sverige

# Furthermore, Consumer Optimism Is Fueled by the “Dollar Wage Illusion”



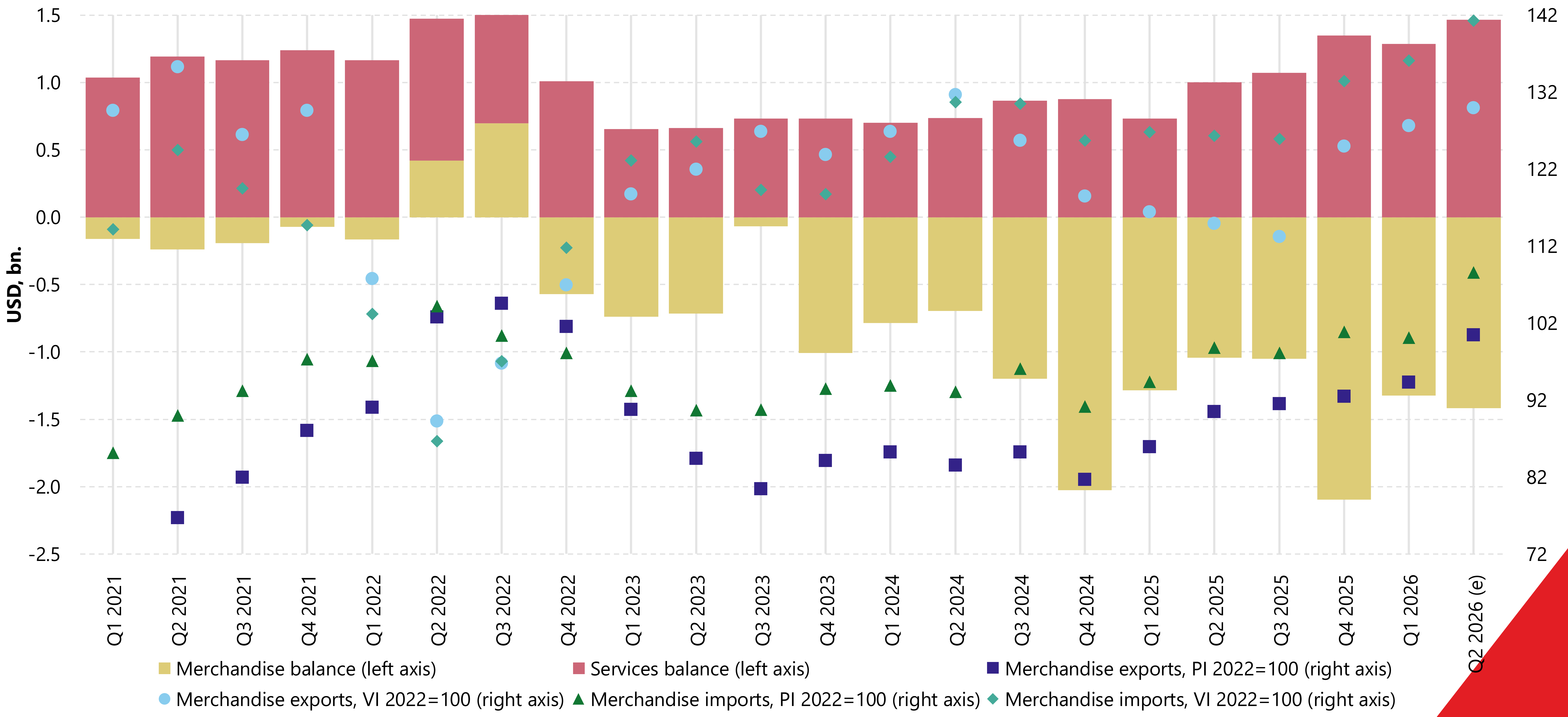

Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# The Gap Between Real Wages and Productivity Has Narrowed, but Still Points to Significant Wage Overheating




Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# Sensible jumps in merchandize exports and imports, as well as in exports of services ➔ trade balance slightly improves in nominal terms

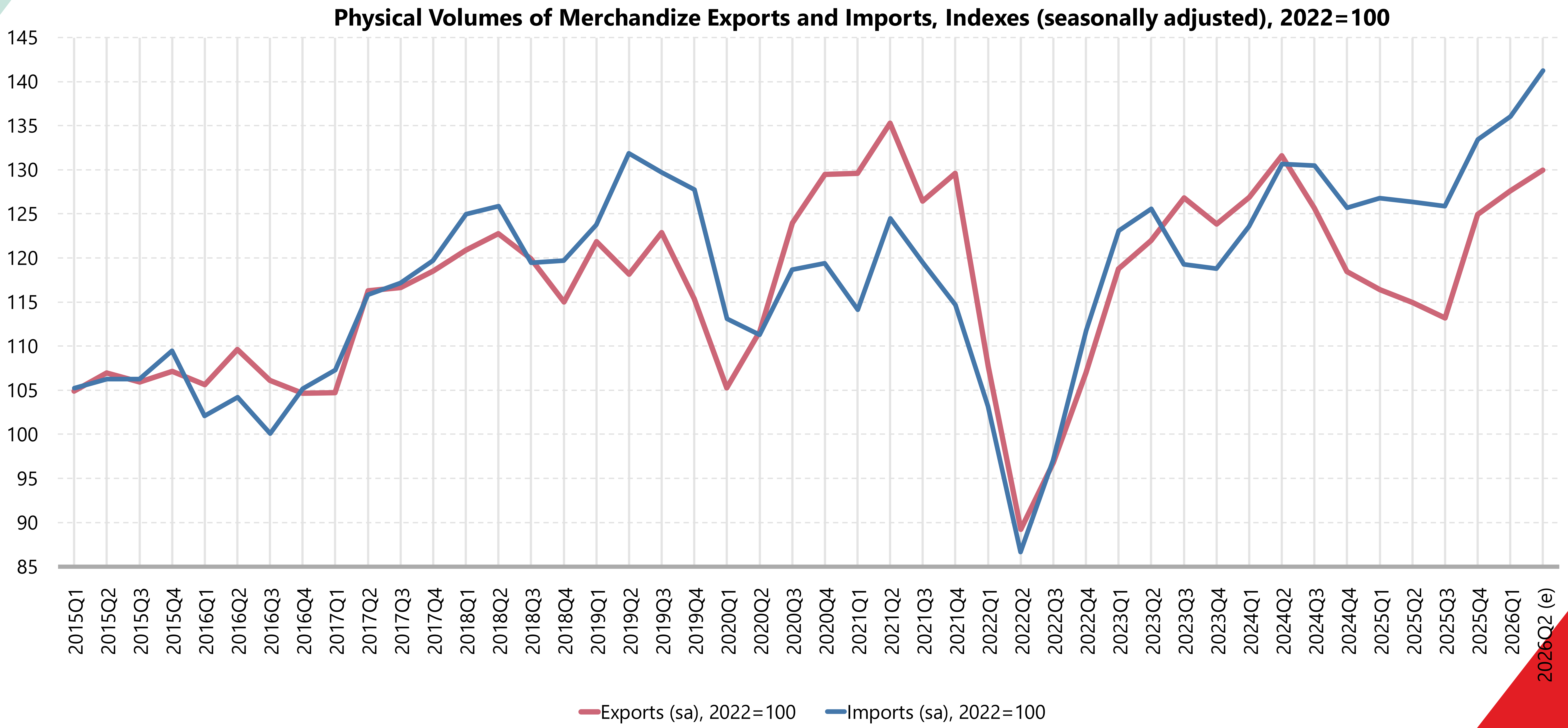



Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# Merchandise Export and Import Volumes Display Significant Spikes



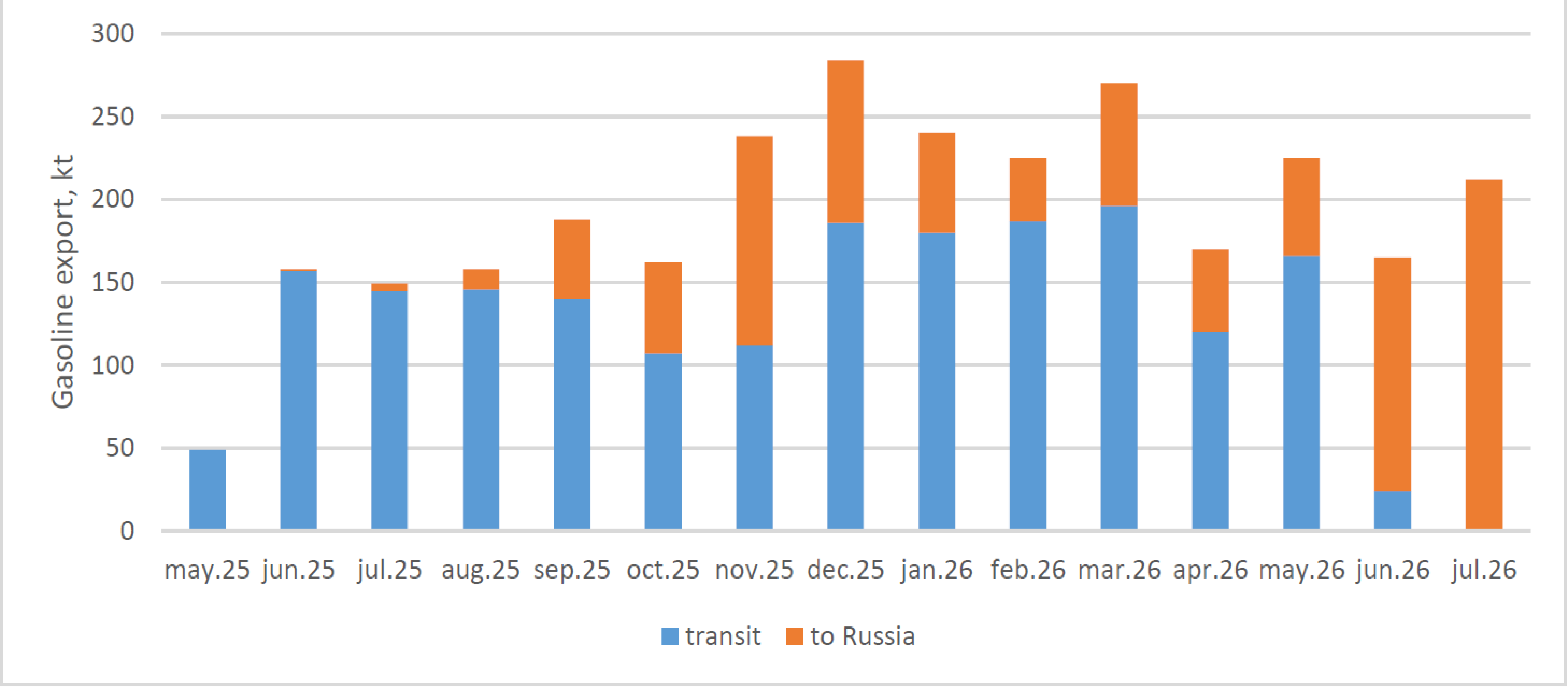

Co-funded by the European Union

FREE NETWORK

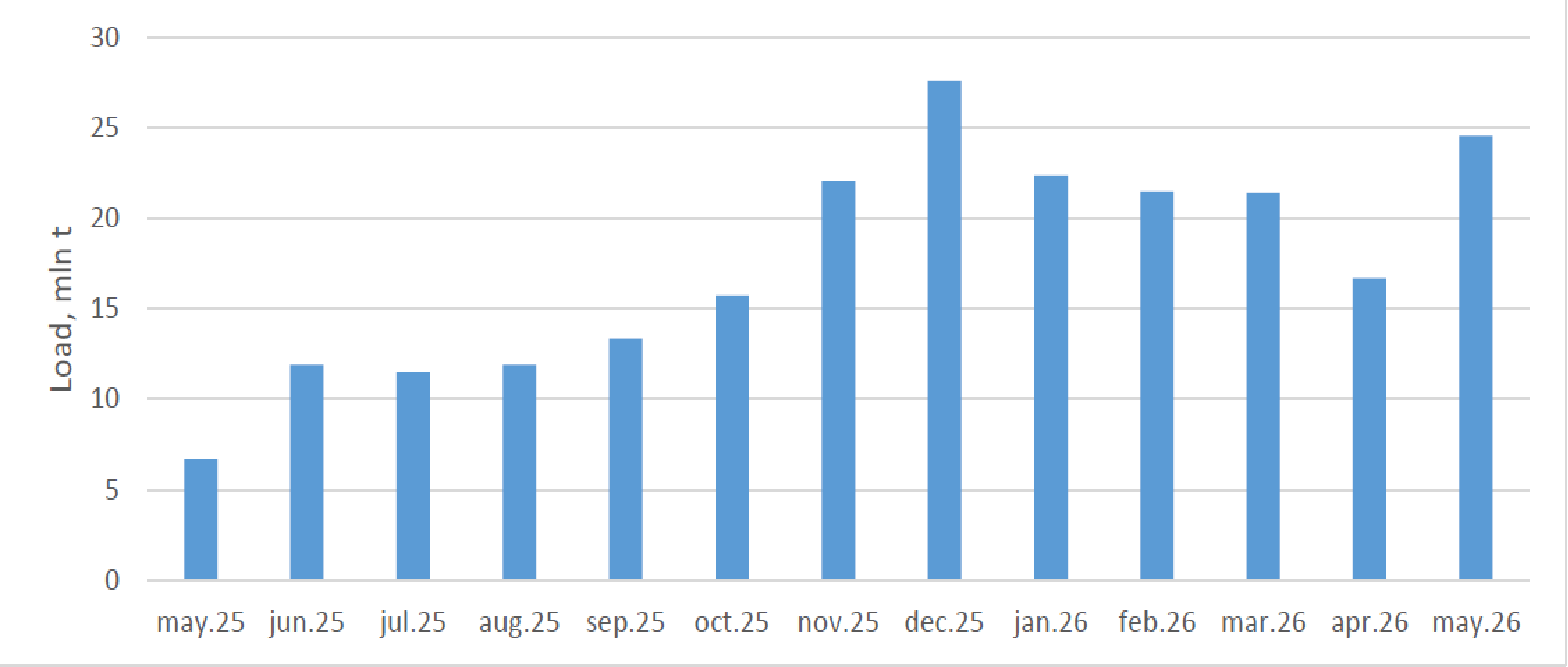
Sweden Sverige

# Russia’s Gasoline Crisis Became a Positive Spillover for Belarus: Oil Exports Reoriented Towards Russia, Refineries Operating at Full Capacity

## Belarusian Exports of Gasoline



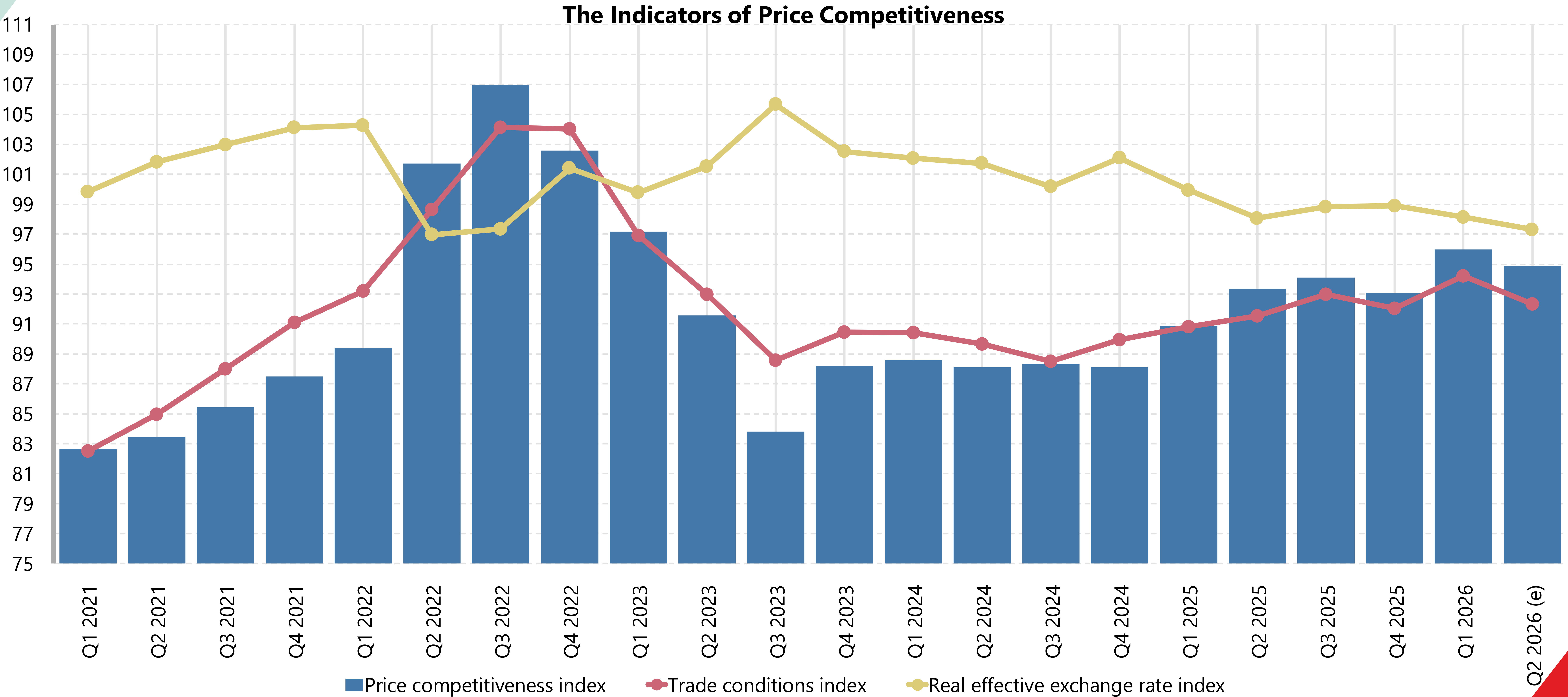

## Oil Refineries Capacity Utilization




Source: Estimations by iSANS Energy Security Department

Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# Price Competitiveness Remains Roughly Stable

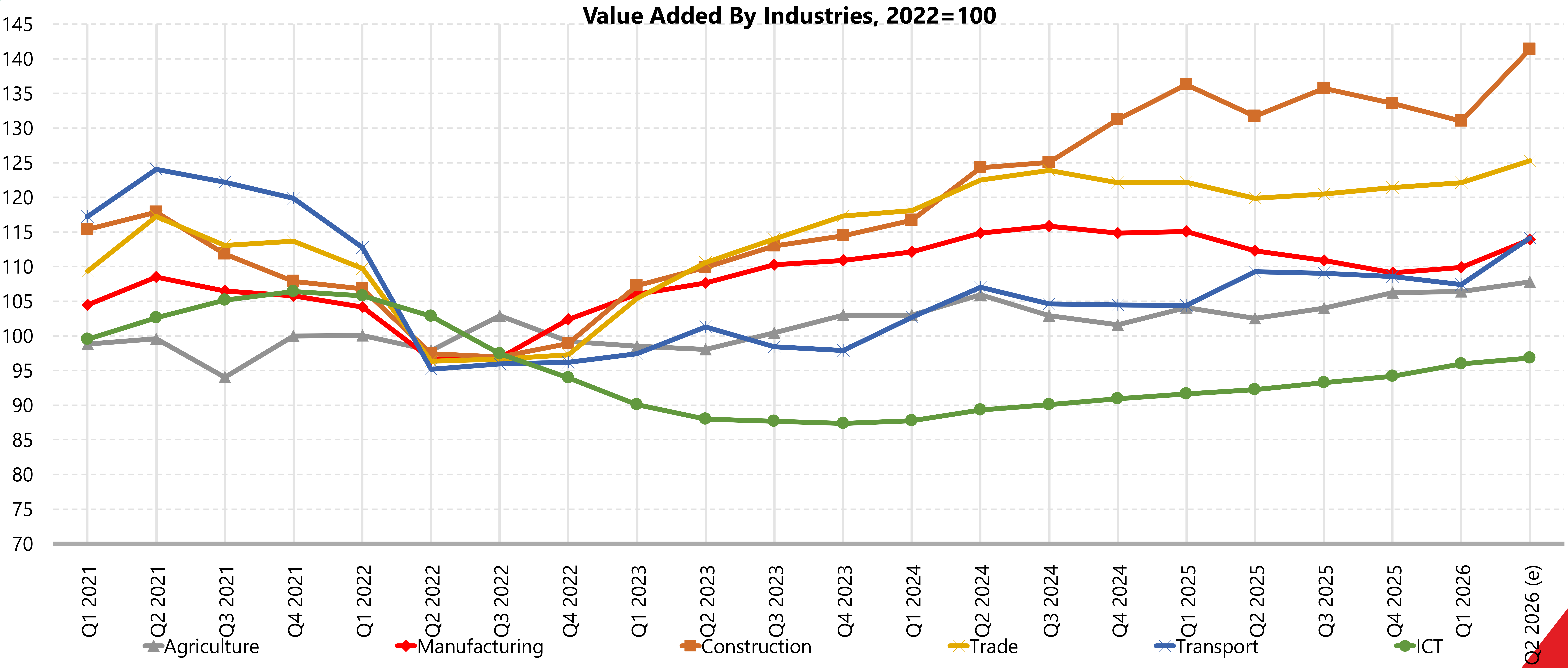



Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# Supply Side: Growth Revived Across Major Industries, Especially Domestically Oriented Ones

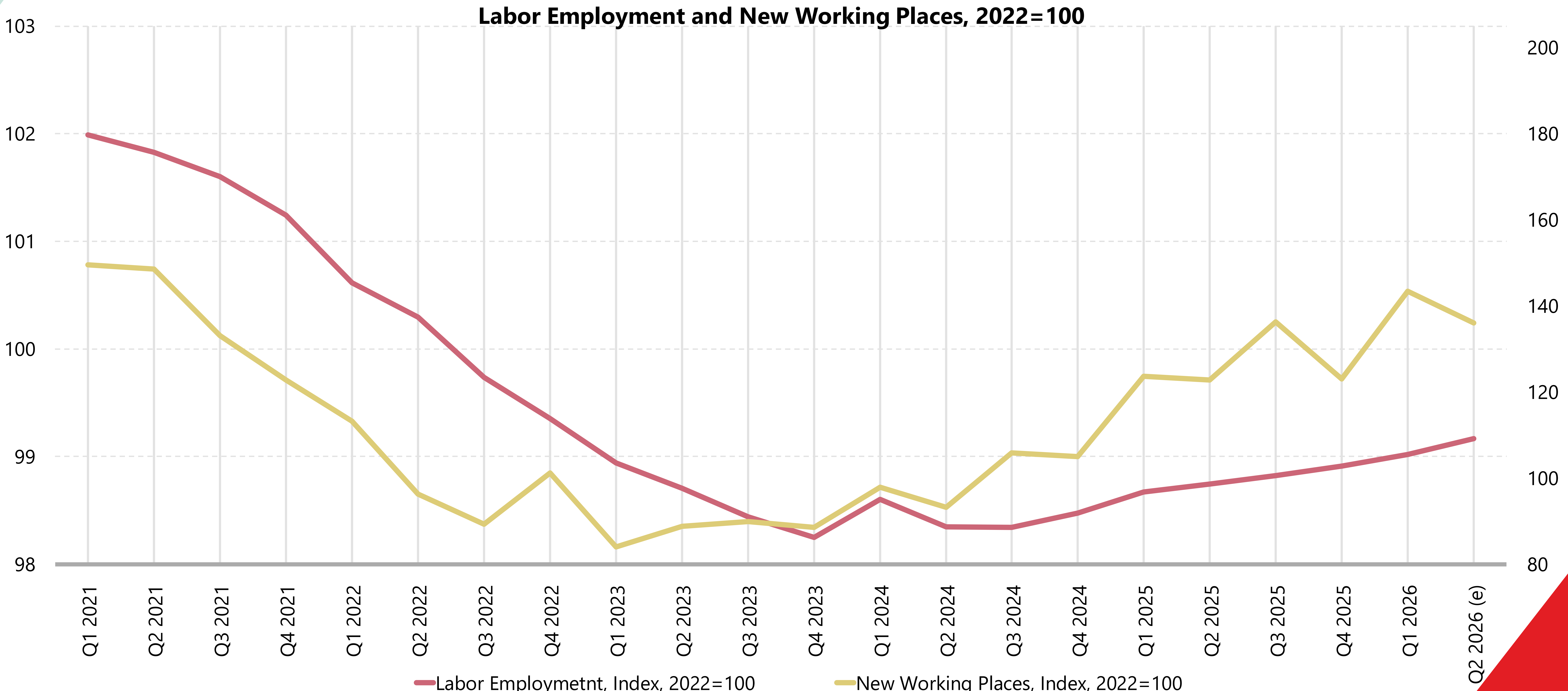



Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# Labor Market is Still Tight




Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# Despite Significant Formal Improvement, All Major Challenges Remain

- Fundamental Challenges
  - Labor shortages
  - Limited production capacities
- External Challenges
  - Stagnating and unstable demand in Russia
  - Volatility of exports of oil products
  - Negative external shocks - both pro-inflationary and output-suppressing – tend to prevail
- Accumulated Macroeconomic Imbalances
  - Overheated domestic demand, suppressed inflation, and risks of an inflationary spike
  - Weakened financial position of firms and risks of financial turbulence
  - Weak and unstable external position, coupled with insufficient financing sources to cover the corresponding deficit

Co-funded by the European Union
FREE NETWORK
Sweden Sverige

# The Positive 'Gasoline Shock' Might Not Be a Long-Lasting Source of Support for Output Growth

- Positive spillovers from the shock might not last long, even if the shock itself does
  - Russia is going to diversify imports of fuel, domestic prices in Russia will gradually adjust
  - Relying on full revival of oil products led growth is a huge risk politically, in many respects
- Russia's gasoline shock masks and improves adverse external environment just temporarily
  - Stagnation of the 'civil part' of Russian economy is expanding
  - Fuel crisis denudes risks of inflation resurgence, as well XR volatility risks
  - Financial weaknesses of oil refineries cannot be eliminated rapidly due to a limited financial effect of 'give and take' mechanism of Russia's oil processing
- A temptation to lie on the back of Russia's gasoline shock might lead to new domestic imbalances
  - Further overheating of already overheated domestic demand and wages
  - Excessive demand on imports
  - New round of accumulation of price imbalances

Co-funded by the European Union

FREE NETWORK

Sweden Sverige

# Short-list of Policy Questions

- External Environment
  - Which trajectory of Russian economy is going to prevail?
  - Will a new inflationary impulse arise (energy, food, etc) and what is the balance of benefits and costs for Belarus?
  - Poor demand from Non-CIS countries: will it persist and (if yes) for how long?
- Domestic Economy
  - Do authorities intend to spur economy for a long-period, exploiting positive spillovers from Russia’s gasoline crisis?
  - Do authorities intend keep on/increase fiscal stimuli?
  - How determined are the authorities to continue supporting investment growth administratively?

Co-funded by the European Union
FREE NETWORK
Sweden Sverige