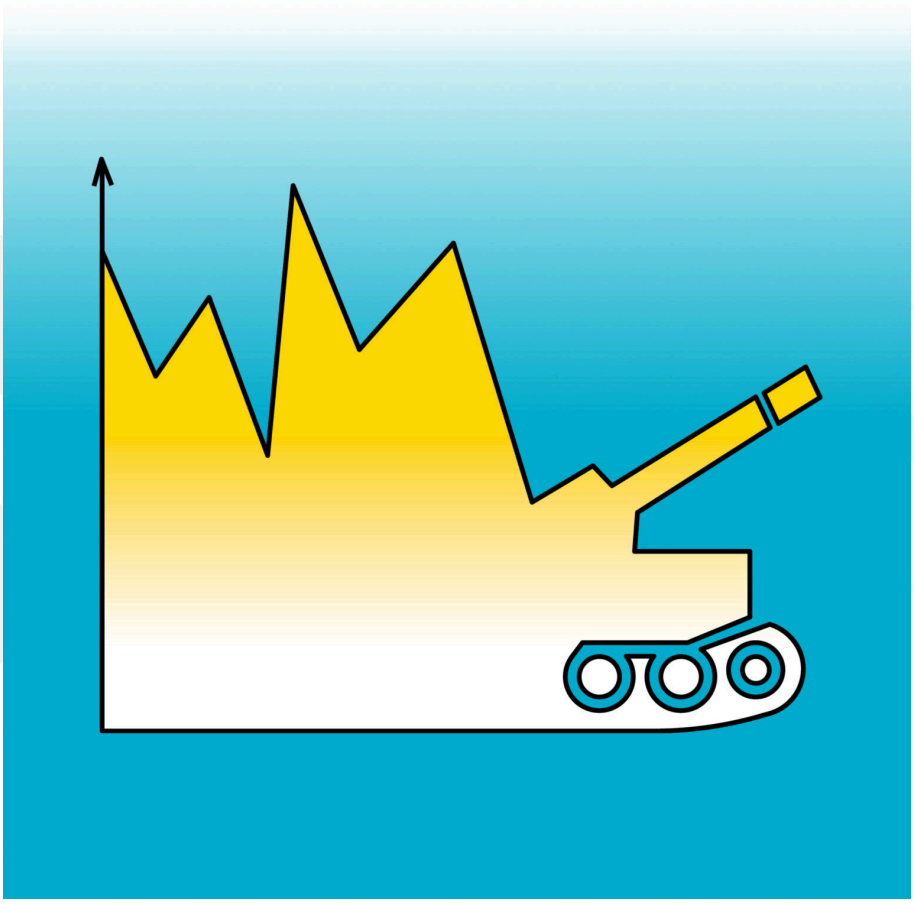
Facing Russia's War Economy

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How sanctions and military spending reshape Russia's economic and political priorities

Timeframe: 01/01/1943 – 01/01/2024
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Key Insights

- Russia's war economy has defied initial predictions of collapse following Western sanctions. Instead, Russia's GDP has grown, and its military spending has increased to 6% of GDP. However, the economy faces

challenges, including human capital flight, reliance on fluctuating energy prices, and possibly capital depreciation. The limits of sanctions highlight the need for the West to bolster its military capabilities to effectively counter Russia's aggression.

Definition

Gross Domestic Product in Constant Prices: Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time. Measuring GDP in constant prices (real GDP) involves adjustment to account for changes in price levels, thereby allowing for the comparison of economic output without distortions caused by inflation.

> *Looking at economic data, (...) Russia's war economy outperformed expectations, seems to be resilient, and shows no signs of slowing down.*

Documents: Full Publication (PDF)

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