National Projects

Opportunity or Distraction?

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Macro-Advisory is an independent Eurasia-based consultancy providing Fortune 500 companies and other investors with strategic advisory services throughout the greater CIS-Eurasia region.

Our client list includes over 70 leading global corporations with a combined market cap of almost $4 trillion.

Macro-Advisory’s coverage footprint includes the entire CIS-Eurasia region plus Mongolia and Iran.

Macro-Advisory has become the trusted advisor for multinational corporations looking to expand their exposure in the Eurasia region, helping them better assess commercial opportunities and better quantify risk.

We carry out market and sectoral analysis, risk assessments, and deep due-diligence work across all of the key industry sectors in all of the countries in the region.

Assist local business teams and management in headquarters to help ensure strategic focus and success.

We are experts on the Eurasian Economic Union (EaEU) and help our clients assess the opportunities and implications of the economic bloc.

We have in-depth knowledge of the Chinese promoted Belt & Road Initiative (BRI) and help our clients understand the opportunities arising from this expanding trade and transport network.
Government plans to invest $390 bln in thirteen project areas over the next 4-5 years

Investment in thirteen separate projects under three key headings:
- Investing in human capital
- Improving the quality of life
- Diversifying economic activity and creating sustainable growth

In reality, this is an 8-10 year program and over that timeline it is more realistic and affordable

In reality, this is still work-in-progress and we should see more clarity in 2020

There will be opportunities for foreign investors and suppliers – provided they comply with localization requirements
Russian National Projects 2019-2024, RUB trillion

Human capital: 5.7290
Quality of Life: 9.8869
Economic growth: 10.0464
Safe and good roads: 4.7797
Housing: 1.0662
Ecology: 4.0410
Science: 0.6360
Productivity: 0.0521
Digital economy: 1.6349
SMEs: 0.4185
Export: 0.9568
Infrastructure: 6.3481

Healthcare: 1.7258
Education: 0.7845
Demographics: 3.1052
Culture: 0.1135

Federal: 13.1582
Regional: 4.9039
Private sector: 7.5153

Reserve funds: 0.1478

Source: Russian government
The program is subject to criticism because of the slow start in many areas. But, in reality it is a program that is better assessed only in 2H20.

Still not a lot of clarity for strategic investors.
There is a great deal of transparency in the program and the level of preparation also adds to the credibility

Deputy Prime Ministers are in charge and results are part of their KPIs

Why it has a better chance this time. Specifically:

- There has been much more serious planning
- Some long-talked about changes have finally happened in recent years
- Ministers have been given KPIs related to the National Projects
- A monitoring system has been set up, for spending and performance monitoring

There is very strong Audit Chamber oversight on spending and results achievement

The Administration needs to be able to show the program is working by mid-term (Spring 2021). If not, then expect greater urgency and personnel changes coming up to that date
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