

Peculiarities in US-Russia Trade

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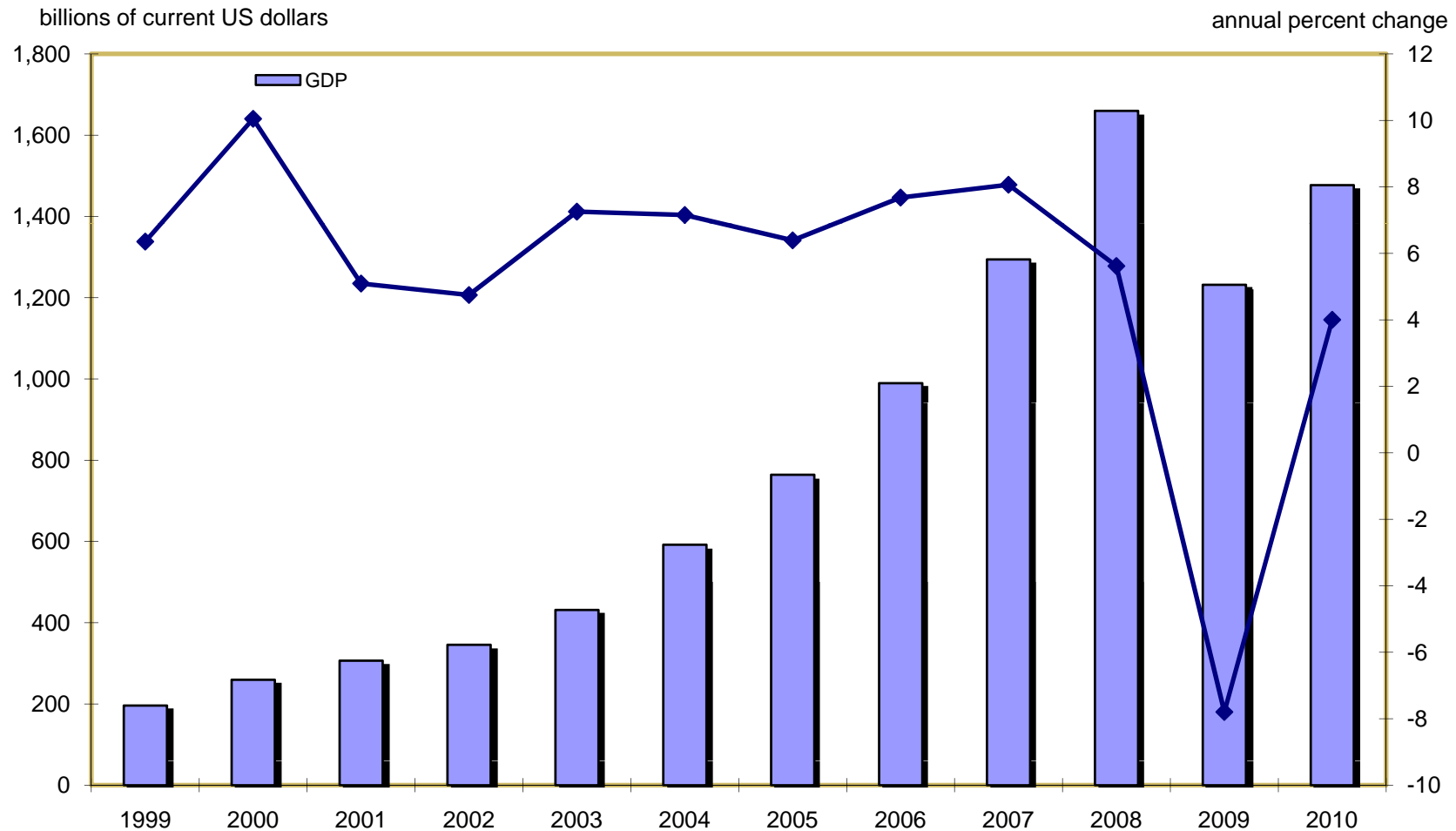
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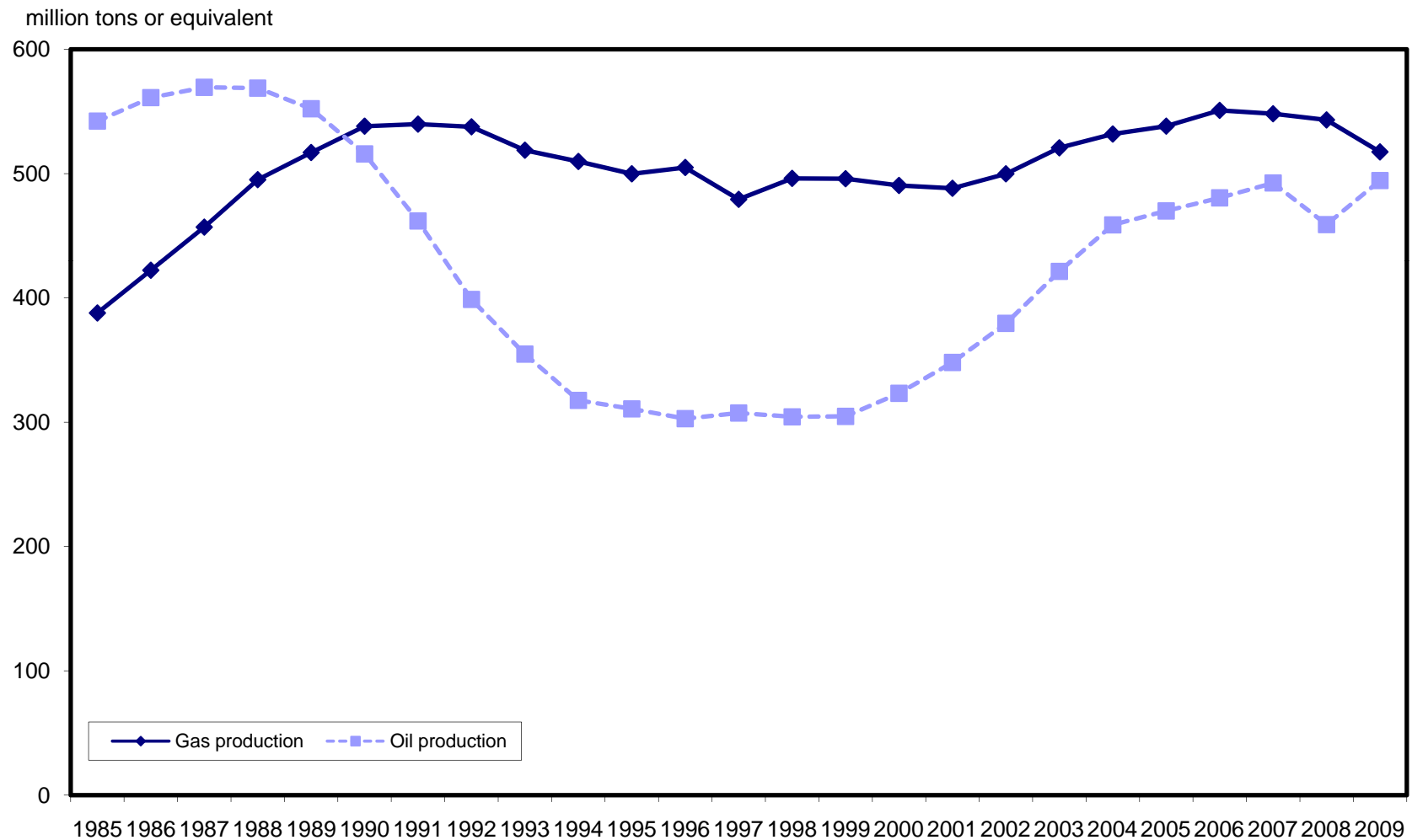
Peculiarities in US-Russia Trade

- US-Russia trade is inordinately small
- Russia is the richest and most developed BRIC country, but it is less dynamic
- Russia could hardly be more different from China

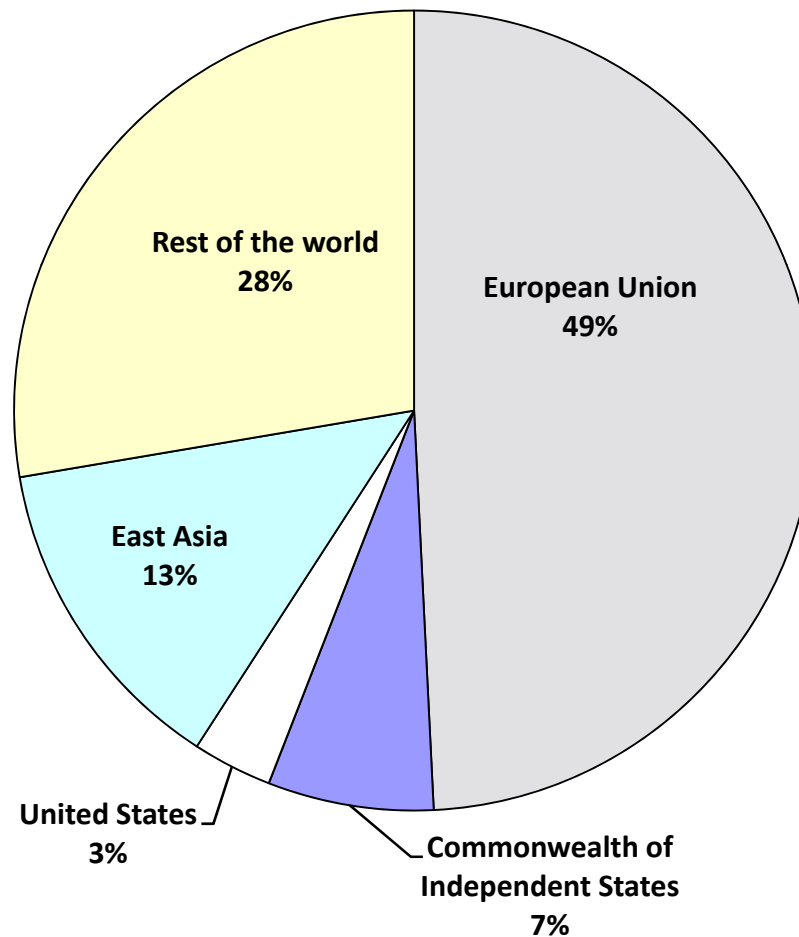
Russian GDP skyrocketed, 1999-2008, but has slowed down.



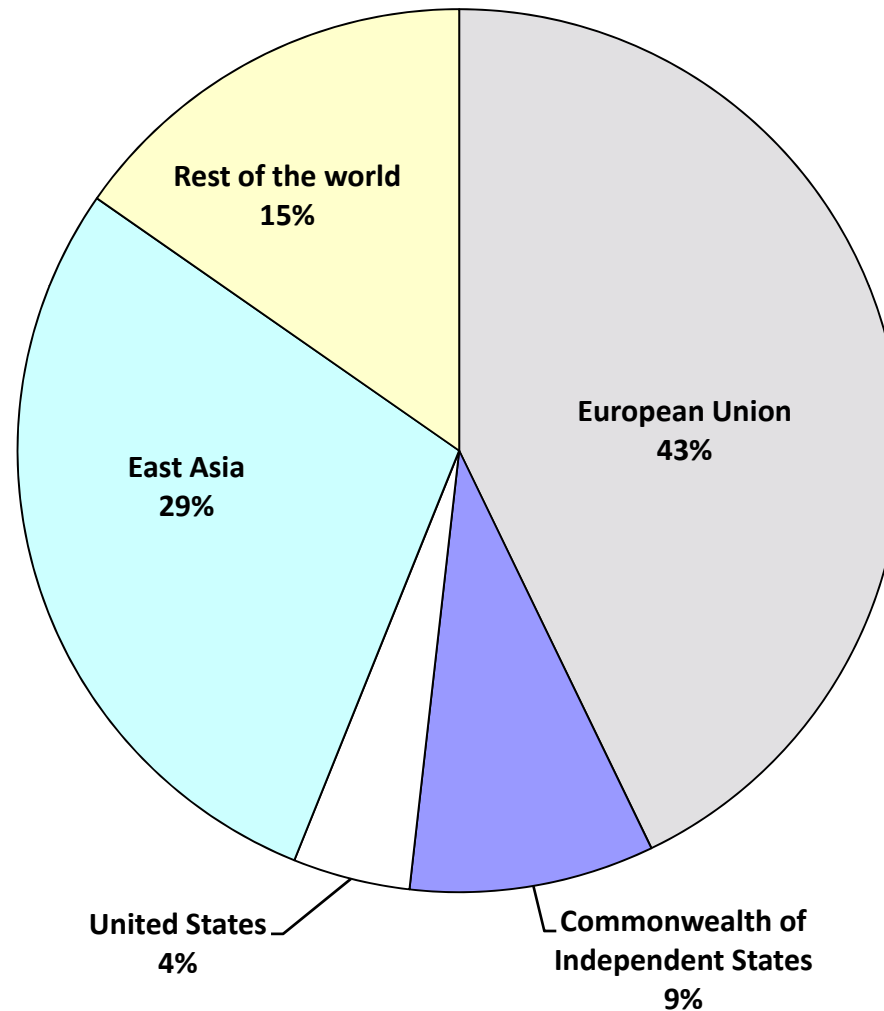
Russian oil and gas production has stagnated since 2004



United States: Only 3% of Russia's export in 2010



United States: Only 4% of Russia's import in 2010



Russia the most developed BRIC, but least trade with the US, 2010.

Indicator	Russia	Brazil	China	India
GDP (market exchange rate, billions of dollars)	1,667	1,636	4,520	1,261
GDP per capita (market exchange rate, dollars)	11,739	8,626	3,404	1,066
GDP per capita (ppp, current international dollars)	16,034	10,526	6,189	2,868
Population (millions)	142	190	1,328	1,182
Two-way trade with the United States (billions of dollars)	28	54	335	45
FDI stock per capita (dollars)	1,512	1,499	288	104
Secondary education (percent)	85	101	76	55
Tertiary education (percent)	77	34	23	14
Mobile phone subscription (per 1,000 people)	1,322	785	478	304

Russia's share of US exports to GDP inordinately small, 2008

Country	GDP (current billions of dollars)	US merchandise exports to partner country (billions of dollars)	Export/GDP ratio (percent)
Japan	4,887	66.6	1.4
China	4,520	71.5	1.6
United Kingdom	2,679	53.8	2.0
Italy	2,307	15.5	0.7
Russia	1,667	9.3	0.6
Brazil	1,636	32.9	2.0
Spain	1,601	12.3	0.8
India	1,261	18.7	1.5
Australia	1,058	22.4	2.1
Korea	931	34.8	3.7
Netherlands	877	40.2	4.6
Turkey	730	10.4	1.4
Poland	529	4.1	0.8
Indonesia	511	5.9	1.2
Belgium	507	29.0	5.7
<i>Average</i>			2.0

Russia Differs Greatly from China

- Much richer
- 90% of exports are commodities
- Not competitive in manufacturing
- Significant domestic software industry favors strong intellectual property rights
- Current account surplus set to decline as imports grow faster than exports
- Reasonably flexible exchange rate policy