



Russian GDP Indicator

About the Index

The Russian GDP Indicator is a monthly publication produced by VTB Capital Research in association with the Markit Economics, a reputable British company specializing in PMI publications on a global scale. The data is calculated from May 1998. The Russian GDP Indicator provides the earliest and most accurate indication of trends in overall economic growth in Russia. The Indicator is derived from Purchasing Managers' Index surveys of Russian manufacturing and service sector business conditions that Markit Economics provides for VTB Capital. The index is released on a monthly basis on the fourth working day at 8am Moscow time.

Notes on Data and Survey Methodology

The Russian GDP Indicator is derived from two surveys of business activity:

- Russian Manufacturing PMI
- Russian Services PMI

In order to combine manufacturing and service sector PMI output data together to form a seasonally adjusted indicator of GDP, weights are applied according to each sector's contribution to total GDP. Statistical analysis is then used to determine the precise relationship between the composite output data and quarterly and annual rates of change of GDP. Regression analysis has then been used to compare the resulting composite PMI output indexes against the quarterly and annual rates of change of GDP and produce constants and coefficients that can then be applied to the composite output data to produce estimates of GDP growth rates.

To track the Indicator's performance on a monthly basis it is useful to generate a comparable monthly series of official GDP, whereby the quarterly figures are assumed as the values of the mid-months of each quarter. A weighted average is used to calculate the remaining monthly data. (e.g. A figure for December would be $\frac{2}{3}$ x the Q4 figure and $\frac{1}{3}$ x the Q1 figure. The figure for January would be $\frac{1}{3}$ x the Q4 figure and $\frac{2}{3}$ x the Q1 figure.)

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