MONITORING OF CHANGES: MAIN TRENDS

THE ECONOMY OF NORTHWEST RUSSIA IN MAY 2026: GROWTH IN CONSUMER DEMAND AMID A DECLINE IN INVESTMENT ACTIVITY

DOI: 10.15838/ptd.2026.4.144.11 • UDC 330.342(470.12) • LBC 65.050.22(2Ros-4Vol)

The Vologda Research Center of the Russian Academy of Sciences continues to acquaint its readers with materials on the state of and trends in the development of the economy of the Northwestern Federal District (NWFD) against the backdrop of nationwide dynamics.

ACKNOWLEDGMENT

The materials were prepared as part of the state assignment for VolRC RAS under research theme No. FMGZ-2025-0012, "Structural and Technological Transformation of the Regional Economy in the Context of Ensuring the National Security of the Russian Federation: Monitoring, Regulation, and Forecast".

The world's largest economies entered 2026 with a pronounced slowdown, and quarterly data confirm that this negative trend is persisting *(Tab. 1)*. The blockage of the Strait of Hormuz has driven up oil prices and worsened global growth prospects. The World Bank assumes that the conflict's impact will be limited and forecasts that global economic growth will return to its usual pace in 2027 after slowing by 0.3 percentage points in 2026 (to 2.8% and 2.5%, respectively). At the same time, compared with the previous forecast, the June World Bank report revises growth rates for the largest economies broadly downward. Thus, in advanced economies the projected value for 2026 is lowered by 0.3 percentage points, while in emerging market and developing economies growth is expected to reach 3.6% in 2026 (–0.6 percentage points) and 4.1% in 2027. China's GDP growth for 2026 has also been revised downward, and a sustained slowdown to 4.2–4.3% is expected in subsequent years due to structural problems. Against this background, the U.S. economy stands out as an exception, with growth projected to remain at 2.1–2.2%, although this forecast is likely to be revised later. India's GDP growth is expected to be 6.6% in 2026 and 7.2% in 2027, following 7.7% in 2025.

According to Rosstat data, the Russian economy contracted by 0.2% in the first quarter of 2026 (a year earlier, growth of 1.4% had been recorded; *Fig. 1*). The Ministry of Economic Development estimates GDP growth in January–May 2026 at 0.2%[1].

For citation: Sidorov M.A. Lukin E.V. The economy of Northwest Russia in May 2026: Growth in consumer demand amid a decline in investment activity. *Problems of Territory's Development,* 30(4), 183–198. DOI: 10.15838/ptd.2026.4.144.11

[1] Here and below (unless otherwise stated), January–May 2026 is compared with January–May 2025.

Table 1. Global economic trends, % change from previous year

Indicator	2023	2024	2025	Q1 2026	2026	2027
World	2.8	2.9	2.9	no data	2.5	2.8
Advanced economies	1.6	1.8	1.8	no data	1.5	1.8
United States	2.9	2.8	2.1	2.0	2.2	2.1
Euro area	0.5	1.0	1.4	0.1	0.8	1.3
Japan	0.7	-0.2	1.1	0.5	0.7	0.9
Emerging market and developing economies	4.3	4.4	4.4	no data	3.6	4.2
East Asia and Pacific	5.2	5.0	5.0	no data	4.2	4.4
China	5.4	5.0	5.0	5.0	4.2	4.3
Europe and Central Asia	3.6	3.9	2.5	no data	2.1	2.3
Russia	4.1*	4.9*	1.0*	-0.2*	0.8	0.7
Latin America and the Caribbean	2.3	2.3	2.3	no data	2.2	2.5
Middle East and North Africa	2.0	2.9	4.0	no data	1.6	5.0
South Asia	6.6	6.8	7.0	no data	6.3	6.9
India	7.2	7.1	7.7	1.8	6.6	7.2
Sub-Saharan Africa	3.0	3.8	4.1	no data	4.0	4.4

* Rosstat data.
Source: Global Economic Prospects, June 2026. Washington: World Bank. 180 p. DOI: 10.1596/978-1-4648-2315-2

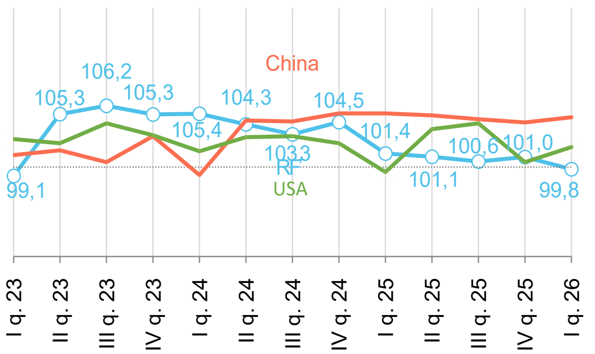


Figure 1. Gross domestic product growth, % change from corresponding quarter of previous year

Changes in the business confidence index reflect the protracted nature of negative expectations among Russian enterprises: in June 2026, the index in manufacturing stood at −2.1 (a year earlier, 0.6; *Fig. 2*). The rise in business confidence in mining and quarrying (by 1 point, to −2.9) may be attributed to the increase in hydrocarbon prices. In the services sector, the indicator fell to 1 in the second quarter of 2026 compared with the same period five years earlier; in construction, it dropped by 5 percentage points, reaching the lowest level among the sectors listed (−14).

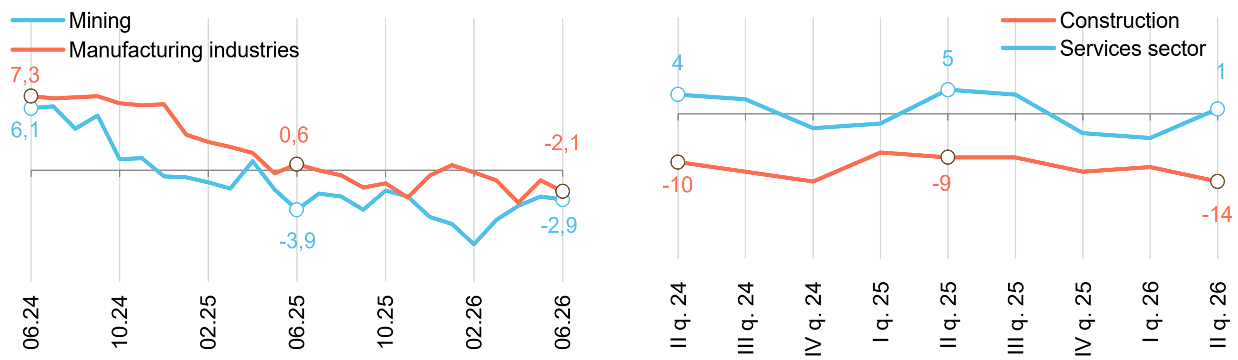


Figure 2. Business Confidence Index, %

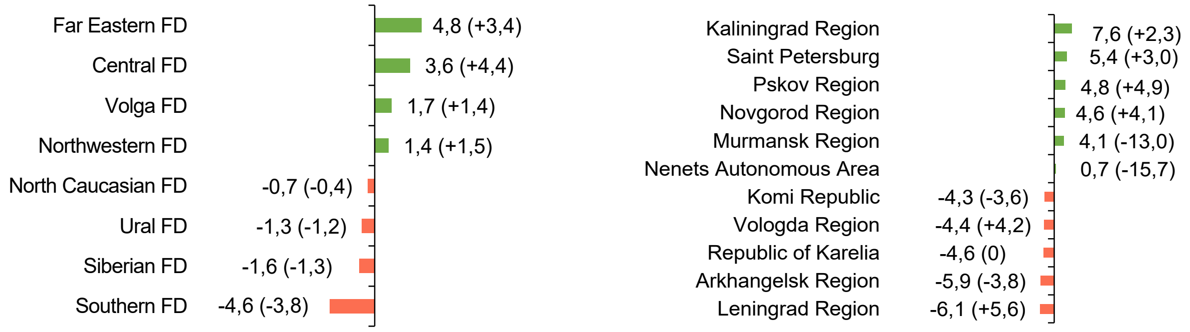


Figure 3. Growth of output of goods and services in basic types of economic activity in January–May 2026 by federal district and NWFD region, % of January–May 2025*

* Basic types of economic activity include crop production; animal husbandry; hunting and related services; mining and quarrying; manufacturing; electricity, gas, steam, and air conditioning supply; sewerage; waste collection and disposal; remediation activities; construction; wholesale trade (excluding motor vehicles and motorcycles); retail trade (excluding motor vehicles and motorcycles); and transport.

Note: figures in parentheses show the change in the indicator in January–May 2025, % of January–May 2024.

1. Gross product generation in the economy of the Russian North-West

Output of goods and services in basic types of economic activity across the Northwestern Federal District (NWFD) as a whole increased by 1.4% (note that the country's federal districts maintained the direction of change in this indicator; *Fig. 3*). Half of the district's constituent entities expanded output, with the Kaliningrad Region and Saint Petersburg leading (by 7.6% and 5.4%, respectively). At the same time, five NWFD regions recorded a significant decline in output (4.3–6.1%).

Industry in the NWFD saw output decline by 0.4%, against an increase of the same magnitude in the country as a whole (a year earlier, these territories had recorded growth of 0.5%; *Tab. 2*). At the same time, analysts at the Center for Macroeconomic Analysis and Short-Term Forecasting note that the dynamics of civilian production (excluding the oil industry), after a year and a half of decline, are balancing between stagnation and further contraction[2]. In half of the district's constituent entities, industrial output contracted, with the Leningrad Region, the Murmansk Region, and the Komi Republic recording declines

Table 2. Industrial production dynamics, % of the corresponding period of the previous year

Territory	5 months 2024	5 months 2025	5 months 2026	Rank*
Industry overall				
Russian Federation	106.0	100.5	100.4	-
Northwestern Federal District	108.0	100.5	99.6	7
Pskov Region	116.4	101.6	114.5	2
Kaliningrad Region	106.1	99.6	112.3	5
Novgorod Region	106.1	104.4	106.5	20
Saint Petersburg	114.0	107.5	103.2	33
Nenets Autonomous Area	99.2	90.4	101.8	41
Republic of Karelia	100.1	95.6	97.7	58
Vologda Region	103.8	103.2	97.4	59
Arkhangelsk Region	113.9	92.0	97.1	62
Komi Republic	103.1	95.1	96.0	66
Murmansk Region	103.3	90.0	95.7	69
Leningrad Region	109.0	100.7	90.8	80
Mining and quarrying				
Russian Federation	100.2	96.9	99.8	-
Northwestern Federal District	101.3	93.0	101.9	7
Kaliningrad Region	101.1	91.1	292.8	1
Arkhangelsk Region	116.0	74.7	115.1	5
Novgorod Region	84.2	87.2	111.2	10
Pskov Region	101.8	91.0	107.5	17

[2] On the dynamics of industrial production. May 2026. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: https://disk.360.yandex.ru/i/ZW7NVRaYeU3Bhg (accessed: 17.07.2026).

Territory	5 months 2024	5 months 2025	5 months 2026	Rank*
Saint Petersburg	169.1	85.4	106.7	20
Leningrad Region	89.3	98.4	103.7	29
Nenets Autonomous Area	99.0	90.2	102.4	35
Russian Federation	99.0	90.2	102.4	35
Republic of Karelia	96.6	102.4	101.7	37
Vologda Region	95.7	101.4	98.2	43
Murmansk Region	97.0	103.9	97.3	45
Komi Republic	103.0	93.8	96.0	49
Manufacturing				
Russian Federation	110.4	103.6	100.3	-
Northwestern Federal District	110.0	103.3	98.9	4
Pskov Region	114.5	106.4	114.9	5
Kaliningrad Region	107.1	99.1	107.2	17
Novgorod Region	106.0	104.7	107.0	19
Republic of Karelia	101.3	90.0	97.5	50
Vologda Region	104.2	103.5	97.4	51
Komi Republic	103.7	100.6	95.7	61
Arkhangelsk Region	115.2	94.6	94.9	62
Murmansk Region	105.4	82.7	94.1	66
Leningrad Region	107.5	100.5	88.2	80
Nenets Autonomous Area	122.3	129.1	57.0	84

* Here and below, the rank shows the position of the corresponding region among the constituent entities of the Russian Federation (for the NWFD, among the federal districts) in the dynamics of the indicator in January–May 2026 (unless otherwise stated), excluding statistical information for the Donetsk People's Republic (DPR), the Lugansk People's Republic (LPR), and the Zaporozhye and Kherson regions.

of 9.2%, 4.3%, and 4%, respectively. Positive contributions to the macroregion's overall indicator came from output growth in a number of regions, most notably the Pskov Region and the Kaliningrad Region (14.5% and 12.3%, respectively).

Mining and quarrying in the NWFD resumed growth, rising by 1.9% after a 7% decline a year earlier. The country as a whole continued to post negative dynamics, with output in this sector falling by 0.2% (a year earlier, –3.1%). In the Kaliningrad Region, output grew 2.9 times, the best result in the country, while the Arkhangelsk and Novgorod regions increased by 15.1% and 11.2%, respectively. At the same time, the Komi Republic, the Murmansk Region, and the Vologda Region recorded declines in mining and quarrying of 4%, 2.7%, and 1.8%, respectively. The lack of data on oil and gas production[3] complicates understanding of the situation in the sector; however, based on the aggregate mining index, one can assume that their output increased, since oil and gas account for about 60% of the NWFD's total resources, whereas extraction of coal and metal ores decreased by .8% and 3.9%, respectively *(Fig. 4)*.

Manufacturing in the NWFD reduced output by 1.1%, against a 0.3% increase in the sector for the Russian Federation as a whole. The decline was driven by negative dynamics in most regions, with the sharpest drops recorded in the Nenets Autonomous Area and the Leningrad Region (43% and 11.8%, respectively). At the same time, in three constituent entities of the district – the Pskov Region, the Kaliningrad Region, and the Novgorod Region – manufacturing output increased by 14.9%, 7.2%, and 7%, respectively.

In sectoral terms, the NWFD's manufacturing industries showed predominantly unfavorable changes.

The NWFD's ***intermediate-demand manufacturing industries*** reduced output. The production of coke and refined petroleum products fell by 30.9%, while chemical products and rolled metal products decreased by 7.1% and 4.9%, respectively. Notably, the indicator for the wood-processing industry rose by 73.8%. According to Rosstat estimates, the physical volume index of wood processing in Saint Petersburg and the Kaliningrad Region reached 237% and 200%, respectively, while the Republic of Karelia recorded 137%.

[3] Rosstat has stopped publishing data on oil extraction. RBC. Available at: https://www.rbc.ru/economics/26/04/2023/64492a769a794789b8b0feec (accessed: 20.07.2026).

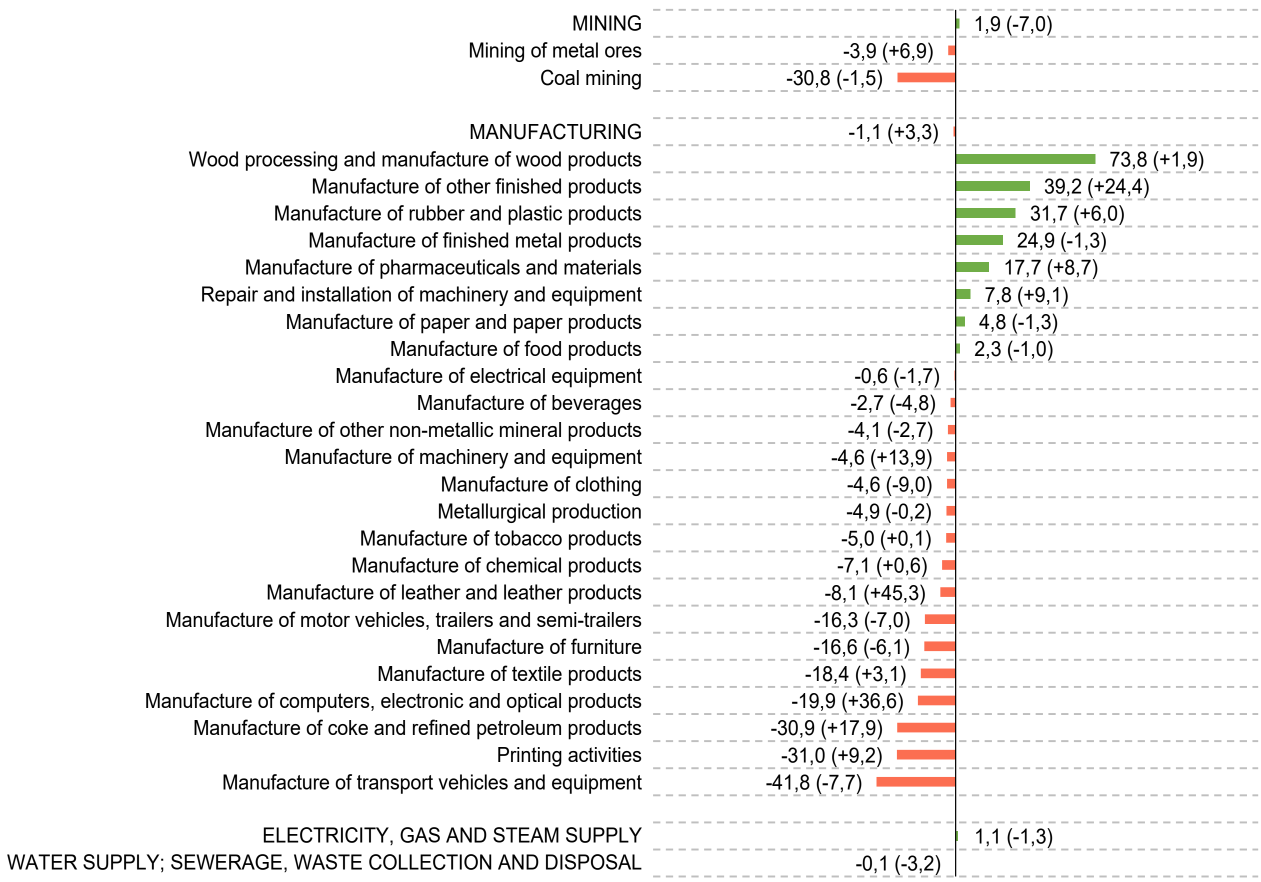


Figure 4. Growth of industrial production in the NWFD in January–May 2026, % of January–May 2025

Note: figures in parentheses show the change in the indicator in January–May 2025, % of January–May 2024.

In February 2026, the Sveza Group (Saint Petersburg) began production of laminated plywood with increased thickness of up to 55 mm, used in the manufacture of high-load vibration pallets. To implement the project, the company's technical services modernized the lamination press. Annual output of plywood for vibration pallets is projected to reach up to 1.5 thousand cubic meters[4].

The new owner of the former Henkel plant in Tosno (Leningrad Region), LAB Industries, invested 450 million rubles in launching a line for the production of mounting foams. The maximum design capacity of the new facility is up to 10 million canisters per year. So far, output has reached about 200 thousand canisters per month. The launch has created 20 additional jobs. The company produces mounting foams based on its own formulations under the Makroflex, Ceresit, Moment, and Econ brands[5].

Most industries in the NWFD's ***final-demand manufacturing sector*** showed output growth. Production of rubber and plastic products increased substantially, by 31.7%; finished metal products rose by 24.9%; medicines and medical materials by 17.7%; and other finished goods by 39.2%.

[4] Sveza develops unique plywood for vibration pallets. Sveza. Available at: https://sveza.ru/press-center/news/sveza-razrabotala-unikalnuyu-faneru-dlya-vibropoddonov/ (accessed: 14.07.2026).

[5] LAB Industries pursues its own line. Kommersant. Available at: https://www.kommersant.ru/doc/8691692 (accessed: 14.07.2026).

At the same time, the production of textiles and furniture declined significantly, by 18.4% and 16.6%, respectively; leather goods fell by 8.1% (after a 45.3% increase a year earlier); and clothing and beverages decreased by 4.6% and 2.7%, respectively.

In the NWFD's ***investment-demand manufacturing industries,*** output dynamics were negative: in the production of transport vehicles and equipment, the decline was 41.8%; in computers, electronic, and optical products, 19.9% (a year earlier, growth of 36.6% had been recorded). The output of motor vehicles, trailers, and semi-trailers, as well as machinery and equipment, decreased by 16.3% and 4.6%, respectively, while the production of non-metallic mineral products fell by 4.1%. At the same time, output in "Repair and installation of machinery and equipment" increased by 7.8%.

In the Pskov Region, a new production facility was launched in the Moglino special economic zone: AKSI TEKH LLC. The plant will specialize in the production of industrial pipelines, equipment for the gas, nuclear, and petrochemical industries, and other metal structures. The company chose the Pskov Region site because of the favorable conditions offered by the special economic zone[6].

Another enterprise is due to appear in the Moglino special economic zone in the near future. It plans to produce locomotive gear transmission housings made of composite materials, which are lighter yet stronger than their metal counterparts. Investment is expected to total about 350 million rubles, and the enterprise will create 105 jobs[7].

Tosno LLC (formerly Caterpillar Tosno LLC) has launched the production of backhoe loaders. In 2026, the plant is to produce 300 machines, all of which are already under contract. Investment in the project to date has amounted to approximately 500 million rubles[8].

The Etalon Group has launched a prefabricated products plant on the territory of the Gorelovo industrial park. The 10,000-square-meter facility is designed to produce more than 700 kits of ready-made structural elements for houses per month. In the future, this volume could be almost tripled to two thousand units per month. The project was initially estimated at about 1 billion rubles, but investment subsequently grew to 2.8 billion rubles[9].

Agriculture in the NWFD increased output in the first quarter of 2026 to a greater extent than the country as a whole – by 4.7% and 0.2%, respectively – making it the highest value among the federal districts *(Tab. 3)*. Thus, in the Kaliningrad and Pskov regions, agricultural output rose by 7.8% and 7.5%, and in the Vologda and Leningrad regions by 5.6% and 5.4%. At the same time, a number of the district's constituent entities recorded a decline

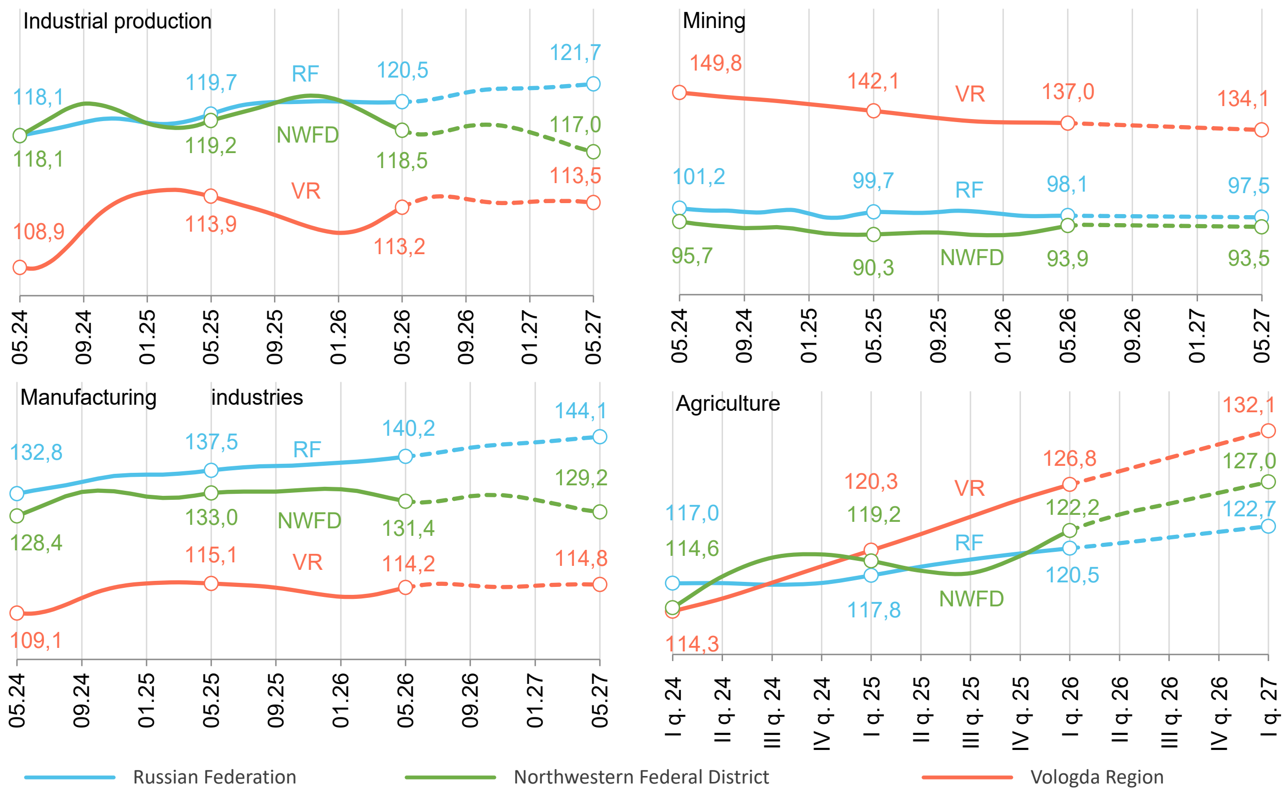
[6] A plant for the production of metal structures and industrial pipelines will start operating in the Pskov Region. Moskovsky Komsomolets. Pskov. Available at: https://www.mk-pskov.ru/economics/2026/01/28/v-pskovskoy-oblasti-nachnyot-rabotu-zavod-po-proizvodstvu-metallokonstrukciy-i-promyshlennykh-truboprovodov.html (accessed: 14.07.2026).

[7] An enterprise producing composite products will open in Moglino. GTRK Pskov. Available at: https://gtrkpskov.ru/news-feed/vesti-pskov/43555-predpriyatie-po-proizvodstvu-kompozitnykh-izdelij-otkroetsya-v-moglino.html (accessed: 14.07.2026).

[8] The former Caterpillar plant in the Leningrad Region has resumed production. Interfax. Available at: https://www.interfax.ru/business/1084111 (accessed: 14.07.2026).

[9] The Etalon Group has launched a prefabricated products plant in Saint Petersburg. Fontanka.ru. Available at: https://www.fontanka.ru/2026/04/10/76359606/ (accessed: 14.07.2026).

Trends in industrial and agricultural production development in 2024–2027, % of 2018 level



in agricultural output – most notably the Murmansk Region, where it fell to almost half the previous year's level.

Table 3. Dynamics of agricultural production, % of the corresponding period of the previous year

Territory	3 months 2024	3 months 2025	3 months 2026	Rank*
Russian Federation	101.5	100.6	100.2	-
Northwestern Federal District	103.6	104.7	104.7	1
Kaliningrad Region	106.5	91.2	107.8	5
Pskov Region	121.9	114.1	107.5	6
Vologda Region	97.9	105.4	105.6	10
Leningrad Region	99.6	101.5	105.4	12
Republic of Karelia	96.3	95.5	100.7	38
Arkhangelsk Region	104.7	104.1	100.6	39
Nenets Autonomous Area	96.1	94.8	98.6	48
Komi Republic	97.4	107.7	97.7	51
Novgorod Region	87.4	113.9	96.7	58
Murmansk Region	112.4	81.7	50.5	83

* For the indicator "Dynamics of agricultural production", the rank shows the position of the corresponding region among the constituent entities of the Russian Federation (for the NWFD, among the federal districts) in the dynamics of the indicator in January–March 2026, excluding statistical information for the Donetsk People's Republic (DPR), the Lugansk People's Republic (LPR), and the Zaporozhye and Kherson regions.

Labor market indicators pointed to mounting tension.

The unemployment rate in the NWFD in March–May 2026 decreased by 0.1 percentage points, to 1.9% (for Russia as a whole, it remained at the previous year's level; *Tab. 4*). A decline was recorded in most constituent entities of the district, with the Novgorod Region reaching 0.7% – the best result in the country. At the same time, in Saint Petersburg, the Murmansk and Leningrad regions, and the Republic of Karelia, unemployment remained unchanged from a year earlier.

The volume of ***employer demand for workers*** announced to employment services decreased in most NWFD constituent entities, as well as in Russia as a whole, by 2.7% and 4.7%, respectively. In particular, a substantial decline in registered vacancies was observed in the Nenets Autonomous Area and the Pskov Region (by 18% and 9.8%), as well as in the Arkhangelsk, Vologda, and Novgorod regions (within the range of 8.9–8.7%). The deterioration in the dynamics of Saint

Table 4. Labor market dynamics, % of the corresponding period of the previous year

Territory	March–May 2024	March–May 2025	March–May 2026	Rank*
Unemployment rate, % of employed				
Russian Federation	2.6	2.2	2.2	-
Northwestern Federal District	2.2	2.0	1.9	4
Novgorod Region	1.5	1.1	0.7	1
Pskov Region	2.3	2.2	1.3	11
Vologda Region	3.1	1.9	1.5	20
Saint Petersburg	1.5	1.5	1.5	21
Kaliningrad Region	2.7	1.9	1.7	33
Arkhangelsk Region	2.1	2.3	2.1	57
Murmansk Region	2.8	2.4	2.4	62
Leningrad Region	2.8	2.8	2.8	69
Republic of Karelia	4.2	2.9	2.9	72
Nenets Autonomous Area	5.4	3.7	3.1	73
Komi Republic	3.6	3.4	3.1	74
Territory	3 months 2024	3 months 2025	3 months 2026	Rank*
Employer demand for workers				
Russian Federation	118.4	107.5	95.3	-
Northwestern Federal District	115.8	108.7	97.3	4
Republic of Karelia	115.6	95.9	107.7	12
Kaliningrad Region	115.8	107.1	102.1	23
Leningrad Region	126.1	120.5	101.9	25
Murmansk Region	105.5	90.0	97.6	29
Saint Petersburg	112.7	110.1	97.1	30
Komi Republic	115.5	100.2	94.8	41
Novgorod Region	129.0	111.4	91.3	55
Vologda Region	130.0	113.6	91.2	57
Arkhangelsk Region	122.1	97.1	91.1	58
Pskov Region	115.6	119.0	90.2	60
Nenets Autonomous Area	103.9	114.4	82.0	84

* For the indicator "Unemployment rate," the rank shows the position of the corresponding region among the constituent entities of the Russian Federation (for the NWFD, among the federal districts) in the dynamics of the indicator in March–May 2026; for the indicator "Employer demand for workers," in January–March 2026, excluding statistical information for the Donetsk People's Republic (DPR), the Lugansk People's Republic (LPR), and the Zaporozhye and Kherson regions.

Petersburg, by 2.9%, had a significant impact on the overall NWFD indicator. Exceptions to the general picture were the Republic of Karelia and the Kaliningrad and Leningrad regions, which posted increases in announced employer demand of 7.7%, 2.1%, and 1.9%, respectively.

2. Income generation

Growth of budget and household incomes occurred against the backdrop of a substantial decline in entrepreneurial income.

Real household money incomes in the NWFD and Russia increased by 3.6% and 2.6%, respectively *(Tab. 5)*. Growth was recorded in almost all constituent entities of the district, except the Nenets Autonomous Area, where household incomes remained at the previous year's level. The dynamics were largely driven by Saint Petersburg and the Vologda Region, where the change was 4.5%.

Table 5. Dynamics of household income generation, % of the corresponding period of the previous year

Territory	3 months 2024	3 months 2025	3 months 2026	Rank*
Real household money incomes				
Russian Federation	108.0	108.3	102.6	-
Northwestern Federal District	111.9	108.6	103.6	3
Vologda Region	106.8	106.8	104.5	18
Saint Petersburg	114.1	109.2	104.5	18
Novgorod Region	113.4	107.2	103.7	27
Arkhangelsk Region	106.1	106.5	103.4	34
Republic of Karelia	102.4	110.3	102.9	42
Leningrad Region	120.1	111.8	102.9	42
Kaliningrad Region	108.7	109.7	102.2	55
Pskov Region	114.6	111.0	102.1	58
Murmansk Region	102.7	102.4	101.3	71
Komi Republic	104.8	102.4	100.4	79
Nenets Autonomous Area	112.2	107.9	100.0	84
Real accrued wages				
Russian Federation	111.0	103.4	108.7	-
Northwestern Federal District	108.1	102.6	105.6	5
Novgorod Region	111.1	106.3	107.7	24
Saint Petersburg	107.1	101.9	106.3	36
Arkhangelsk Region	104.6	102.7	105.4	43
Murmansk Region	109.5	98.4	105.4	43
Vologda Region	111.1	100.9	105.1	48
Kaliningrad Region	108.0	106.3	105.1	48
Pskov Region	113.8	108.3	104.8	52
Republic of Karelia	107.0	98.1	104.1	61
Komi Republic	104.3	101.0	103.5	69
Leningrad Region	113.5	107.1	103.1	71
Nenets Autonomous Area	106.3	101.3	100.8	81

* For the indicators "Real household money incomes" and "Real accrued wages," the rank shows the position of the corresponding region among the constituent entities of the Russian Federation (for the NWFD, among the federal districts) in the dynamics of the indicator in March–May 2026, excluding statistical information for the Donetsk People's Republic (DPR), the Lugansk People's Republic (LPR), and the Zaporozhye and Kherson regions.

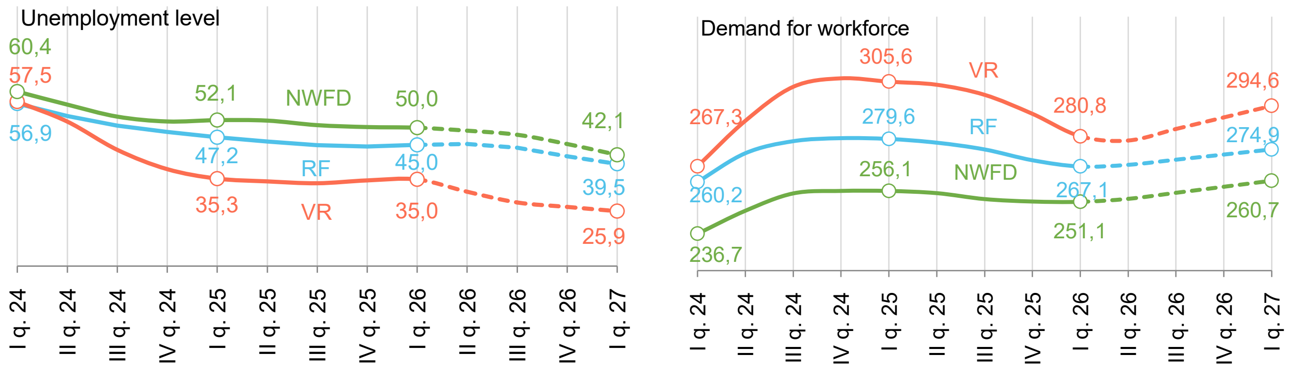
Real accrued wages in the NWFD increased by 5.6%, while wages for Russians as a whole rose by 8.7%. This indicator largely shapes the dynamics of real household money incomes, even as the contribution of such components as property income and interest on deposits declines. Positive wage dynamics are observed in all constituent entities of the district, but none of them recorded an improvement commensurate with the national pace. The leaders of the NWFD in terms of real accrued wage growth were the Novgorod Region and Saint Petersburg (7.7% and 6.3%, respectively).

Real revenues of the consolidated budget and the budget of the territorial state extra-budgetary fund in the NWFD increased by 1.5% *(Tab. 6)*. Among the district's constituent entities, dynamics were mixed. There were both substantial increases in budget revenues (in particular, in the Murmansk and Novgorod regions by 17.4% and 14.7%, respectively) and deep declines (in the Nenets Autonomous Area and the Vologda Region, the decline was 17.9% and 13.9%, respectively). Personal income tax receipts in the macroregion grew by 10.4%, with increases recorded in all constituent entities, most notably the Novgorod Region (19.8%). Business income tax receipts in the NWFD decreased by 4.5%, with the worst value posted by the Vologda Region, where corporate profit tax receipts fell threefold. Receipts from excisable goods in the macroregion declined by 0.8%. In Russia as a whole, real consolidated budget revenues increased by 0.1%, personal income tax receipts grew by 8.8%, and excise tax receipts by 0.5%; business income tax receipts declined by 5.5%.

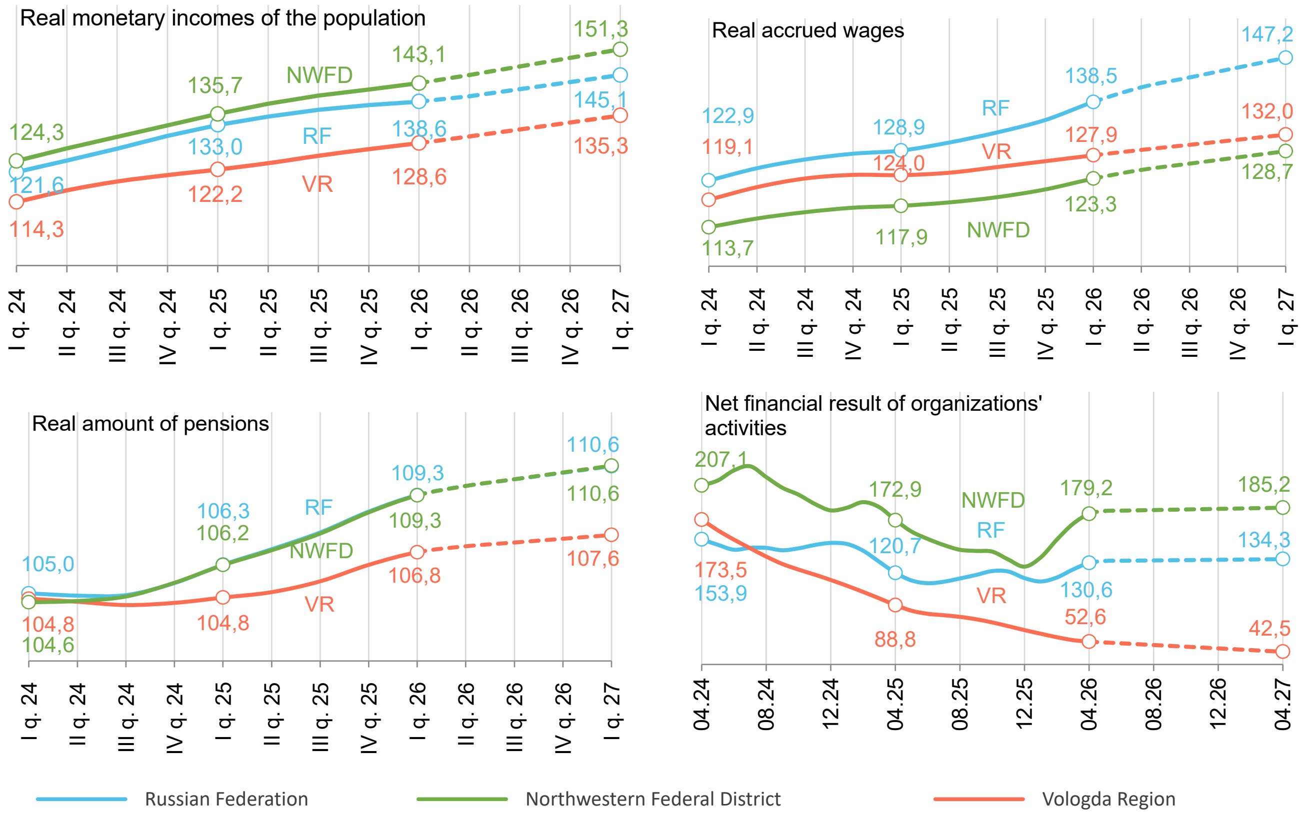
Table 6. Dynamics of business and government income generation, % of the corresponding period of the previous year

Territory	5 months 2024	5 months 2025	5 months 2026
Revenues of the consolidated budget and the budget of the territorial state extra-budgetary fund			
Russian Federation	100.4	99.4	100.1
Northwestern Federal District	98.5	94.9	101.5
Murmansk Region	81.7	100.6	117.4
Novgorod Region	86.5	88.6	114.7
Pskov Region	99.7	88.9	110.3
Komi Republic	95.5	85.5	102.5
Saint Petersburg	102.2	97.0	102.1
Republic of Karelia	85.8	90.5	101.5
Kaliningrad Region	109.6	98.7	99.8
Leningrad Region	94.7	100.6	98.2
Arkhangelsk Region	103.5	89.0	97.9
Vologda Region	92.8	84.1	86.1
Nenets Autonomous Area	122.1	89.5	82.1
Territory	3 months 2024	3 months 2025	3 months 2026
Receipts of taxes, fees, and other mandatory payments to the consolidated budget of the Russian Federation			
Russian Federation	93.3	103.3	94.5
Northwestern Federal District	82.0	98.2	121.0
Murmansk Region	48.0	137.6	170.6
Saint Petersburg	105.1	93.6	139.0
Novgorod Region	43.4	121.7	132.9
Vologda Region	83.1	60.4	121.3
Pskov Region	121.1	107.2	119.9
Kaliningrad Region	106.8	163.8	118.0
Leningrad Region	128.6	108.9	107.8
Arkhangelsk Region	56.2	112.8	103.5
Republic of Karelia	135.4	92.4	88.8
Komi Republic	34.6	96.0	63.0
Nenets Autonomous Area	31.6	101.4	30.9
Territory	4 months 2024	4 months 2025	4 months 2026
Net financial result of organizations' activities			
Russian Federation	103.4	89.0	84.9
Northwestern Federal District	88.0	120.5	92.6
Nenets Autonomous Area	-	15.7	204.1
Saint Petersburg	66.5	186.1	123.3
Pskov Region	92.7	75.9	103.1
Leningrad Region	117.8	85.1	74.1
Kaliningrad Region	81.4	925.2	51.8
Komi Republic	127.4	104.2	41.8
Arkhangelsk Region	113.3	114.3	4.5
Republic of Karelia	260.8	48.1	-
Vologda Region	159.3	35.5	-
Murmansk Region	14.9	-	-
Novgorod Region	-	106.8	-

Trends in labor market development in 2024–2027, % of 2018 level



Trends in income generation in the economy in 2023–2027, % of 2018 level



Receipts of taxes, fees, and other mandatory payments to the consolidated budget from the NWFD regions increased by 21% in the first quarter of 2026 (while for the country as a whole they declined by 5.5%). The indicator rose in most constituent entities of the district, including the Murmansk Region, Saint Petersburg, and the Novgorod Region, where the increase was 70.6%, 39%, and 32.9%, respectively. At the same time, in the Nenets Autonomous Area and the republics of Karelia and Komi, tax receipts decreased by 69.1%, 37%, and 11.2%, respectively.

The net financial result of organizations in the NWFD and Russia in January–April 2026 showed a real-terms decline of 7.4% and 15.1%, respectively. Financial deterioration was observed at enterprises in almost all constituent entities of the district, with the Novgorod, Murmansk, and Vologda regions, as well as the Republic of Karelia, posting negative values. The exceptions were the Nenets Autonomous Area, Saint Petersburg, and the Pskov Region, which recorded increases in the net financial result of organizations of 104.1%, 23.3%, and 3.1%, respectively.

3. Final use

Consumer demand was the main positive factor in economic dynamics. Expectations of steady consumer demand growth are partly explained by a gradual decline in the population's propensity to save[10].

Retail trade turnover in the NWFD increased by 6.3% (for the country as a whole, by 5%; *Tab. 7*). The growth of retail trade in food products in Russia was 2.8%, and in non-food products, 7.2%. In the NWFD, non-food retail trade turnover rose by 7.5%. The leaders in the macroregion in terms of growth in non-food retail trade turnover were the Vologda Region and Saint Petersburg, at 11.4% and 10.1%, respectively. Food retail trade turnover in the NWFD increased by 4.8%, most strongly in the Novgorod Region (by 8.6%).

Table 7. Dynamics of consumer market development, % of the corresponding period of the previous year

Territory	5 months 2024	5 months 2025	5 months 2026	Rank
Retail trade turnover				
Russian Federation	110.5	103.0	105.0	-
Northwestern Federal District	109.4	103.9	106.3	3
Saint Petersburg	111.1	105.5	108.6	15
Novgorod Region	106.2	107.3	107.8	20
Vologda Region	108.1	107.9	106.9	26
Kaliningrad Region	114.1	107.0	104.9	48
Murmansk Region	101.7	100.4	103.9	60
Leningrad Region	110.4	99.6	103.0	65
Arkhangelsk Region	100.6	95.7	102.8	67
Pskov Region	112.0	102.6	102.3	71
Komi Republic	108.2	103.7	102.2	72
Republic of Karelia	104.5	103.2	101.5	76
Nenets Autonomous Area	103.9	100.1	101.4	78
Volume of paid services to the population				
Russian Federation	105.2	102.2	102.7	-
Northwestern Federal District	103.3	102.2	103.3	4
Leningrad Region	111.9	103.1	107.6	7
Kaliningrad Region	110.4	103.1	105.7	15
Pskov Region	103.0	101.7	103.6	32
Arkhangelsk Region	104.8	98.5	103.4	39
Saint Petersburg	101.2	103.8	103.3	40
Vologda Region	102.5	98.0	102.6	48
Nenets Autonomous Area	103.3	98.8	102.3	52
Republic of Karelia	104.7	100.7	100.9	71
Novgorod Region	100.6	100.1	100.4	75
Murmansk Region	101.4	99.8	99.0	80
Komi Republic	105.2	94.8	97.7	82
Consumer price index (to December of the previous year)				
Russian Federation	103.2	103.6	103.3	-
Northwestern Federal District	103.3	104.0	103.4	7
Republic of Karelia	103.3	104.3	102.6	16
Murmansk Region	104.0	105.0	103.0	32
Kaliningrad Region	103.5	105.2	103.1	42
Pskov Region	103.0	104.5	103.1	42
Leningrad Region	103.5	104.0	103.3	51
Novgorod Region	102.8	104.0	103.4	55
Vologda Region	102.6	104.4	103.5	58
Saint Petersburg	103.3	103.6	103.6	64
Komi Republic	103.4	103.8	103.8	77
Arkhangelsk Region	102.8	103.5	103.8	77
Nenets Autonomous Area	104.2	105.8	103.9	79
Producer price index for industrial goods (to December of the previous year)				
Russian Federation	105.4	97.3	109.8	-
Northwestern Federal District	105.3	100.2	108.7	5
Leningrad Region	105.2	101.9	98.2	5
Republic of Karelia	109.8	104.0	100.0	11
Vologda Region	103.3	99.4	100.2	12
Arkhangelsk Region	106.2	105.9	101.2	28
Novgorod Region	101.6	103.6	102.3	40
Kaliningrad Region	99.6	101.1	103.2	48
Pskov Region	106.5	103.7	103.3	49
Saint Petersburg	103.6	111.4	104.5	58
Murmansk Region	103.2	101.3	105.9	64
Komi Republic	110.0	89.6	137.7	82
Nenets Autonomous Area	109.7	71.7	195.0	85

The volume of ***paid services,*** rendered to the population in the NWFD increased by 3.3% (for the country as a whole, by 2.7%). Growth was recorded in almost all constituent entities of the district. The leaders were the Leningrad and Kaliningrad regions, at 7.6% and 5.7%, respectively. The exceptions were the Komi Republic and the Murmansk Region, where the volume of paid services to the population decreased by 2.3% and 1%, respectively.

[10] Quarterly GDP forecast. Issue 70. June 2026. Institute of Economic Forecasting of the Russian Academy of Sciences. Available at: https://ecfor.ru/publication/kvartalnyj-prognoz-vvp-vypusk-70/ (accessed: 17.07.2026).

Consumer inflation in the NWFD was close to the national average (3.4% and 3.3%, respectively). Food prices in the federal district rose by 1.5% (for Russia as a whole, by 2.1%). Non-food prices increased by 2.1% in the macroregion and by 1.8% nationally, while the "core" of monetary inflation (the increase in non-food prices excluding petroleum products and cigarettes) showed virtually no growth[11]. Consumer prices for services in the macroregion and the country rose by 7.5% and 6.7%, respectively. Housing and utilities tariffs in the NWFD and Russia increased by 2.8% and 2.9%, respectively.

Producer prices for industrial goods in the NWFD and Russia showed an increase of 8.7% and 9.8%, respectively. A sharp rise in the prices of industrial products was recorded in the Nenets Autonomous Area and the Komi Republic, by 95% and 37.7%, respectively. In the remaining constituent entities of the district, prices in this sector also increased. The exceptions were the Leningrad Region, where the indicator declined by 1.8%, and the Republic of Karelia, where it remained at the previous year's level.

In ***construction,*** the volume of work performed in the NWFD decreased by 10%, while for Russia the decline was 7.4% *(Tab. 8)*. Among the district's constituent entities, only the Murmansk Region showed growth (by 59.4%, following a 54.7% decline a year earlier). In the other regions of the district, construction volumes contracted, with half of them posting declines ranging from 45.7% to 24.2%.

Housing completions in the NWFD showed a deeper decline than in Russia as a whole (29.4% and 21.7%, respectively), driven by negative dynamics in all regions of the district. In Saint Petersburg, the decline was 56.6%, one of the worst changes in the indicator in the country.

Table 8. Construction dynamics, % of the corresponding period of the previous year

Territory	5 months 2024	5 months 2025	5 months 2026	Rank
Volume of work in TEA "Construction"				
Russian Federation	104.6	104.5	92.6	-
Northwestern Federal District	105.0	115.1	90.0	5
Murmansk Region	126.1	45.3	159.4	3
Novgorod Region	147.6	91.5	99.2	24
Leningrad Region	132.4	163.1	94.7	36
Saint Petersburg	83.3	120.2	92.7	41
Komi Republic	111.9	86.1	86.4	46
Pskov Region	129.0	127.9	75.8	66
Kaliningrad Region	108.9	88.2	72.1	68
Vologda Region	138.0	119.3	69.7	72
Arkhangelsk Region	116.6	94.7	62.7	76
Nenets Autonomous Area	113.4	44.9	55.3	79
Republic of Karelia	77.7	129.6	54.3	81
Housing completions				
Russian Federation	101.3	102.0	78.3	-
Northwestern Federal District	101.1	102.2	71.6	6
Arkhangelsk Region	111.3	91.4	99.2	19
Pskov Region	110.0	76.4	98.5	20
Komi Republic	93.5	104.2	98.2	21
Leningrad Region	106.9	105.9	89.0	31
Republic of Karelia	108.8	117.3	76.9	44
Kaliningrad Region	125.3	85.0	67.6	58
Murmansk Region	144.2	161.6	65.8	61
Novgorod Region	89.3	133.2	59.3	70
Vologda Region	96.6	143.5	49.7	81
Saint Petersburg	86.5	90.5	43.4	83
Nenets Autonomous Area	148.7	127.9	40.7	84
Volume of mortgage loans issued				
Russian Federation	79.1	52.3	138.2	-
Northwestern Federal District	83.3	53.2	141.2	5
Nenets Autonomous Area	69.8	50.7	186.7	2
Republic of Karelia	70.0	45.5	178.5	3
Novgorod Region	78.0	49.0	159.8	9
Murmansk Region	78.3	47.2	158.0	10
Arkhangelsk Region	96.6	54.0	150.1	22
Leningrad Region	74.8	58.1	146.6	23
Vologda Region	75.0	47.7	146.2	31
Komi Republic	64.4	53.7	145.3	33
Pskov Region	78.9	55.8	138.2	51
Kaliningrad Region	95.1	57.6	132.5	61
Saint Petersburg	87.3	53.0	134.8	66

[11] Analysis of macroeconomic trends. June 2026. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_ARCHIVE/Mon_MK/2026/macro68.pdf (accessed: 17.07.2026).

The ***volume of mortgage loans issued*** showed a sharp increase both in the NWFD and nationally – by 41.2% and 38.2%, respectively. This phenomenon affected all constituent entities of the district, manifesting in an intensification of mortgage lending by 34.8–86.7%. The reasons may include declining deposit yields and the prolonged fall of the MOEX index[12] amid persistently high inflation expectations. Under such conditions, real estate is perceived as the main defensive asset. Another contributing factor is that developers will subsequently factor rising costs of construction materials and labor into the price of housing under construction. According to Bank of Russia data, in May 2026 only 54.8% of mortgage loans were issued under government support programs, whereas previously this indicator had long remained in the range of 75–85%. In annual comparison, the provision of mortgage housing loans increased by 18.7% in number and by 14.2%[13]in volume, which suggests growing demand for small apartments.

Real expenditures of the consolidated budget and the budget of the territorial state extra-budgetary fund increased in the NWFD by 3.7% in January–May (for Russia as a whole, by 0.7%; *Tab. 9*). The positive dynamics of the aggregate indicator for the macroregion were driven by growth in most of its constituent entities, with the Pskov Region showing the largest increase (13.5%). At the same time, a number of NWFD regions saw a decline in budget expenditures—in the Komi Republic, the Vologda Region, and the Arkhangelsk Region, the decrease was in the range of 7.2–7.3%. At the same time, budget expenditures on healthcare and social policy in the NWFD increased by 2.7% and 1.1%, respectively. For the country as a whole, the opposite trend was observed: budget expenditures on healthcare and social policy decreased by 2.4% and 1.1%, respectively.

Table 9. Dynamics of expenditures of the consolidated budget and the budget of the territorial state extra-budgetary fund, % of the corresponding period of the previous year

Territory	5 months 2024	5 months 2025	5 months 2026
Russian Federation	102.2	106.3	100.7
Northwestern Federal District	106.3	101.1	103.7
Pskov Region	99.9	97.5	113.5
Nenets Autonomous Area	83.7	103.8	108.5
Leningrad Region	107.0	108.5	107.8
Novgorod Region	100.5	89.1	107.6
Saint Petersburg	113.3	102.5	106.9
Republic of Karelia	81.9	99.5	103.3
Kaliningrad Region	94.6	103.2	102.9
Murmansk Region	110.1	92.2	99.3
Arkhangelsk Region	101.8	95.9	92.8
Vologda Region	105.7	99.1	92.8
Komi Republic	98.6	104.1	92.7

The ***fixed capital investment*** index in the NWFD in the first quarter of 2026 was 89.4%, against a more negative value for the country as a whole (85.7%; *Tab. 10*). As analysts at the Center for Macroeconomic Analysis and Short-Term Forecasting note, the observed decline and its unprecedented duration reinforce each other, with the result that the absence of prerequisites for growth itself becomes a factor affecting investment (and, more broadly, business) activity of companies[14]. In the Novgorod and Leningrad regions, investment increased by 9.4% and 5.2%, while in the remaining constituent entities of the district, investment processes slowed significantly. Thus, in the Republic of Karelia, investment fell by more than half (the worst result in the country), and in the Arkhangelsk, Vologda, and Murmansk regions, it decreased by 34.2–37.5% (although it is important to note the high base of the previous year).

[12] 18 weeks without change. BCS Express. Available at: https://bcs-express.ru/novosti-i-analitika/mneniia/18-nedel-bez-peremen (accessed: 14.07.2026).

[13] Review of the housing mortgage lending market. Bank of Russia. Available at: https://cbr.ru/statistics/bank_sector/mortgage/Indicator_mortgage/1225/ (accessed: 14.07.2026).

[14] Analysis of macroeconomic trends. June 2026. Center for Macroeconomic Analysis and Short-Term Forecasting. Available at: http://www.forecast.ru/_ARCHIVE/Mon_MK/2026/macro68.pdf (accessed: 17.07.2026).

Table 10. Dynamics of fixed capital investment, % of the corresponding period of the previous year

Territory	3 months 2024	3 months 2025	3 months 2026	Rank*
Russian Federation	114.8	106.5	85.7	-
Northwestern Federal District	116.0	122.0	89.4	3
Novgorod Region	77.7	101.1	109.4	7
Leningrad Region	136.6	163.8	105.2	11
Komi Republic	118.4	85.9	90.7	31
Saint Petersburg	124.3	97.1	87.3	35
Kaliningrad Region	89.1	93.3	85.8	36
Nenets Autonomous Area	105.6	83.6	83.1	42
Pskov Region	141.7	94.6	81.3	48
Murmansk Region	94.6	134.3	65.8	69
Vologda Region	101.0	159.5	63.9	70
Arkhangelsk Region	57.7	112.1	62.5	74
Republic of Karelia	98.9	156.1	48.1	85

* For the indicator "Dynamics of fixed capital investment," the rank shows the position of the corresponding region among the constituent entities of the Russian Federation (for the NWFD, among the federal districts) in the dynamics of the indicator in January–March 2026, excluding statistical information for the Donetsk People's Republic (DPR), the Lugansk People's Republic (LPR), and the Zaporozhye and Kherson regions.

According to Autostat data, in the first quarter of 2026, 8,932 new heavy-duty trucks were sold in Russia (30% less than in the first quarter of 2025). KAMAZ accounted for almost 35% of the market with sales of 3,100 heavy trucks, and 64.7% of the HCV market was taken by domestically produced vehicles. Tractor units accounted for 34.2% of the market over the three months[15].

According to Federal Customs Service data, in January–May 2026, Russia's total ***exports*** and ***imports*** in value terms increased markedly, by 8.5% and 8.1%, respectively. Exports to Asia rose by 14.5%, while shipments to all other groups of countries declined; in particular, exports to Europe decreased by 8.4% and to Africa by 10%. Imports from Asia and Europe increased by 8.8% and 8%, respectively. Food exports rose by 20.3%, and imports by 5.4%. The value of mineral product exports increased by 4.3% (share 54%), and imports of mineral products grew by 40.5%. An increase in exports of metals and metal products by 26% was recorded. Machinery and equipment exports decreased by 8.5%, while imports of this category of goods increased by 9.3%, their share amounting to 49% of total imports.

World oil prices rose by 19.8% *(Tab. 11)*. A number of other goods exported from the NWFD also became more expensive: phosphorus-containing fertilizers by 18.3%, gas by 12.8%, rolled metal by 9.1%.

Table 11. Dynamics of world prices for goods, % of the corresponding period of the previous year

Good	5 months 2024	5 months 2025	5 months 2026
Oil	104.4	85.3	119.8
Gas	61.3	146.2	112.8
Rolled metal (Met.)	95.6	108.4	109.1
Phosphate fertilizers (PF)	95.4	84.0	118.3

World prices for most rolled metal categories show an upward trend: increases were recorded both for flat products (by 9.8–14.2%) and long products (by 7–14.3%), with the exception of sections, which fell in price by 1% *(Tab. 12)*. On the domestic market, prices for flat rolled metal decreased by 2.5–15.3%, while long products increased by 8.8–19.1%, except beams and channels, which became cheaper by 1.5% *(Tab. 13)*.

[15] Sales of new heavy-duty trucks (HCV) in Russia in 2025 and in December. Vedomosti. Available at: https://www.vedomosti.ru/auto/news/2026/04/06/1188272-prodazhi-gruzovikov (accessed: 14.07.2026).

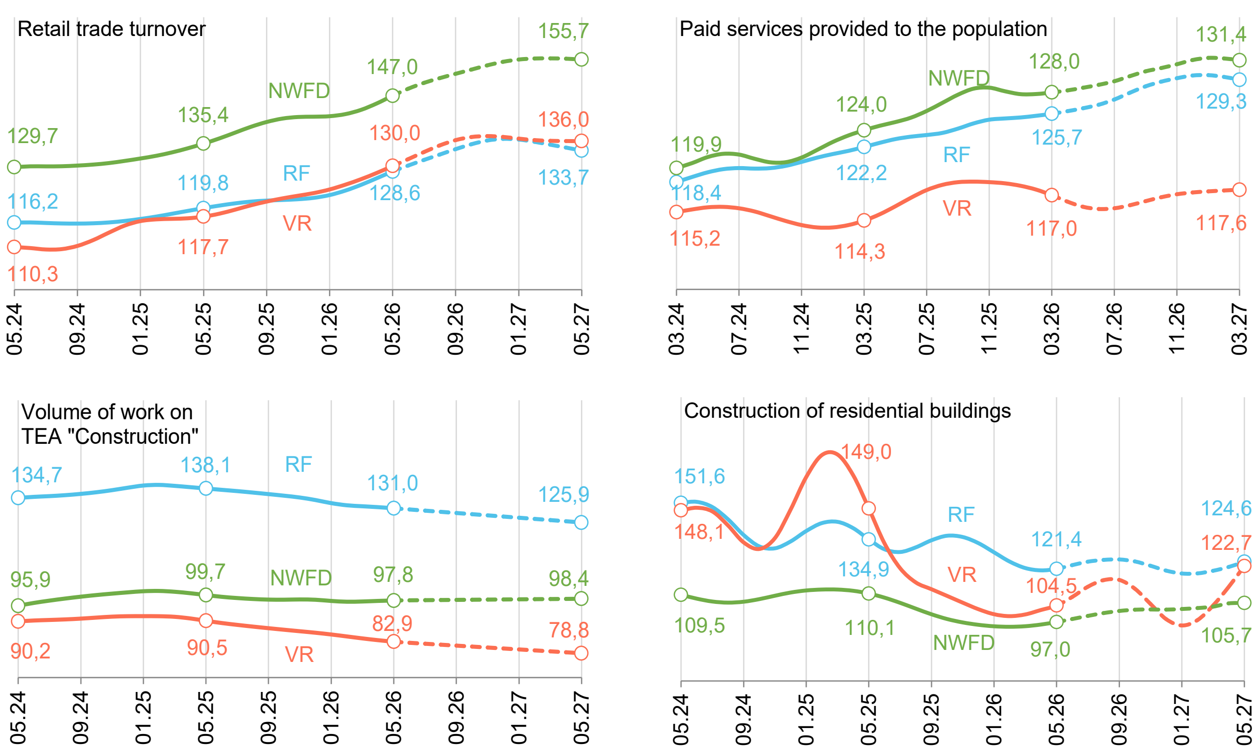
Table 12. Prices for metal products on the world market (EU countries), per ton, at the beginning of June of the corresponding year

Type of steel product	Unit of measurement	2024	2025	2026	2026, % to	
					2025	2024
Flat products						
Cold-rolled sheet	USD	927	758	858	113.2	92.5
Galvanized sheet	USD	951	840	923	109.8	97.0
Hot-rolled sheet	USD	771	650	743	114.2	96.3
Long products						
Reinforcing steel (rebar)	USD	780	663	758	114.3	97.1
Structural sections	USD	912	715	765	107.0	83.8
Merchant bars	USD	869	715	708	99.0	81.4

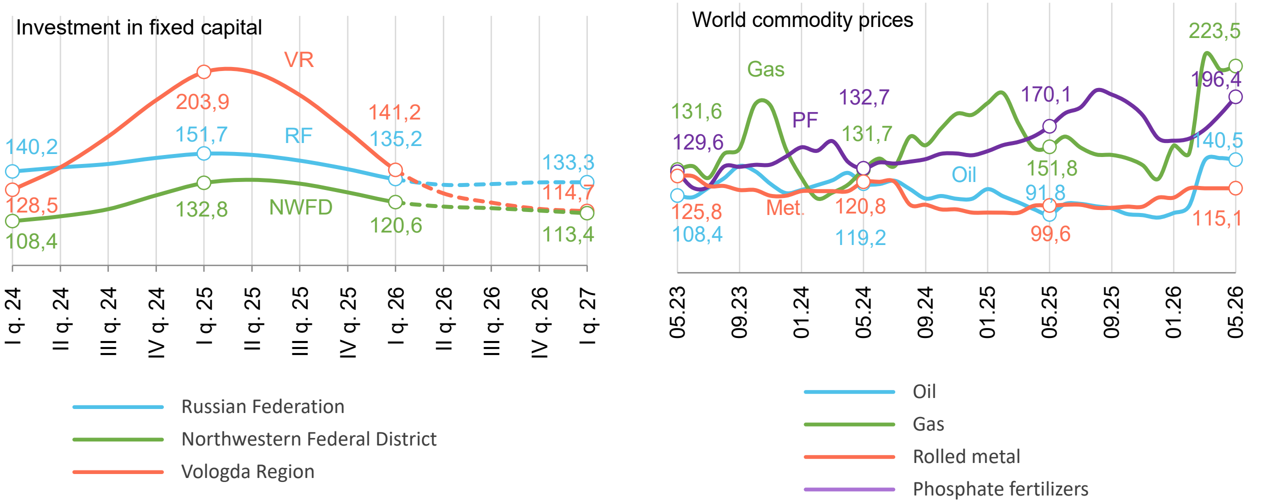
Table 13. Prices for metal products on the Russian market, per ton, at the beginning of July of the corresponding year

Type of steel product	Unit of measurement	2024	2025	2026	2026, % to	
					2025	2024
Flat products						
Cold-rolled sheet	RUB	87625	82475	69850	84.7	79.7
Galvanized sheet	RUB	118125	102075	89200	87.4	75.5
Hot-rolled sheet	RUB	65850	61650	60300	97.8	91.6
Long products						
Rebar	RUB	64800	58036	66100	113.9	102.0
Beams and channels	RUB	84806	80350	79175	98.5	93.4
Round bars	RUB	63833	56500	61500	108.8	96.3
Angles	RUB	65317	60033	71500	119.1	109.5

Trends in consumer market and construction development in 2024–2027, % of 2018 level



Trends in investment activity and foreign trade in 2023–2026, % of 2018 level



Summing up, it should be noted that in January–May 2026 the economy of the NWFD demonstrated a number of positive developments.

1. Against the backdrop of declining deposit yields and business profits, consumer demand continued to grow, supported by the positive dynamics of real wages.

2. Increased budget expenditures and mortgage lending had a positive impact on economic dynamics.

3. In a number of industries in the macroregion, output grew substantially, including in the final-demand manufacturing sector.

At the same time, the economy of the NWFD came under mounting pressure, since the strengthening of the ruble and the growth of imports helped to curb inflation but heightened competition for domestic producers. The intermediate- and investment-demand manufacturing industries, construction, and investment remained in negative territory.

Thus, the NWFD, like the country as a whole, faces a growing need to restart the investment cycle as soon as possible. This will be facilitated by maintaining additional incentives to sustain consumer demand, providing targeted support for investment in the real sector of the economy, and improving the efficiency of workplaces. Examples of already implemented measures include expanded support for industrial projects[16], assistance to agricultural producers[17], construction[18], and infrastructure projects[19].

Sources: Rosstat, Ministry of Economic Development of Russia, Bank of Russia, Federal Customs Service, Government of Russia, worldbank.org, metalinfo.ru, metaltorg.ru, divercitytimes.com, tradingeconomics.com, data.stats.gov.cn, bea.gov, and others.

Materials were prepared by
M.A. Sidorov
VolRC RAS Researcher
E.V. Lukin
Candidate of Sciences (Economics)
VolRC RAS Leading Researcher

[16] On allocating more than 3 billion rubles to support the industrial mortgage program: Resolution of the Government of the Russian Federation 1475-r of June 13, 2026; On allocating 2 billion rubles to support enterprises implementing projects to create high-tech products: Resolution of the Government of the Russian Federation 1767-r of July 9, 2026.

[17] Resolutions of the Government of the Russian Federation 1611-r and 1612-r of June 25, 2026, on allocating more than 60 billion rubles to subsidize preferential loans for agricultural producers.

[18] Resolution of the Government of the Russian Federation 1738-r of July 4, 2026, on allocating 290 million rubles to subsidize loans for construction companies working within the project financing mechanism.

[19] Decree of the Government of the Russian Federation 1340-r of June 3, 2026, on allocating about 10.8 billion rubles to subsidize regional infrastructure projects for the development of automobile and electric transport.