



Since March 25, 2020

**Confederation of International Contractors' Associations (CICA)**

**Strategic Watch: COVID-19 Overview by country and region (situation at January 20, 2021)**

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: <http://www.cica.net/cica-covid-19-overview/> and Dropbox: <https://www.dropbox.com/home/Observatory%20COVID-19>

**Russia**

Country/Region	General measures	Measures for construction
<b>RUSSIA</b>		
<b>Lockdown</b>	<p>A report from the <a href="#">Eastern European Construction Forecasting Association (EECFA)</a> has revealed that, as confirmed cases of the Covid-19 virus soar, the government is insistent that construction projects remain on track. Only projects in Moscow and the Moscow region have been curtailed, where the largest number of virus cases have been recorded.</p> <p>EECFA reports that the construction industry is likely to be one of the hardest hit, with social distancing on construction sites extremely difficult to maintain. The Ministry of Construction is under pressure to develop an anti-crisis program for the industry, set to include subsidizing interest rates on mortgage loans to support demand for property, as well as credit and tax moratorium for developers and measures to reduce the cost of project financing.</p> <p>According to EECFA, the government has also been considering the possibility of having state-owned companies purchase unsold apartments from developers. Furthermore, until January 1, 2021 housing developers will not face punitive action, should the completion of residential building projects be delayed. In non-residential and civil engineering segments, as support measures, the Ministry plans to increase several government contracts and lift advances on those contracts from 30% to 50% (cf. Construction Europe) (5 May).</p>	
<b>Economic outlook</b>	<p>According to the European Bank for Reconstruction and Development (EBRD), <a href="#">Russia is set to record negative GDP growth of 4.5% in 2020</a> following the shocks caused by the coronavirus pandemic and the collapse of the OPEC+ agreement to limit oil production (13 May).</p> <p>The <a href="#">introduction of the National Plan for Economic Recovery has helped mitigate some of the negative effects</a>. A rebound of 3.0% is</p>	<p><a href="#">Russia's construction sector has suffered as a result of the Covid-19 outbreak, with several major projects mothballed or cancelled</a>. Consequently, the Russian construction industry's output is expected to contract by 3.8% in 2020, a significant downward revision from the 2.6% growth previously forecast by GlobalData.</p> <p>According to GlobalData analysts, the economic conditions have worsened in Russia with market consensus expecting the Russian economy to contract by 4% in 2020 (13 October).</p>



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	expected in 2021, conditional on some recovery in oil prices (cf. EBRD) (1 October)	The <a href="#">Eastern European Construction Forecasting Association (EECFA)</a> forecasts a <a href="#">decrease in construction output in both 2020 and 2021</a> (cf. Construction Europe) (7 July).
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