IMPORT SUBSTITUTION IN THE INDUSTRIAL SECTOR: ANALYSIS AND FACTS

S V Novikov, V V Lastochkina and A D Solodova
Moscow Aviation Institute (National Research University)

Abstract: Sanctions policy against Russia is one of the most pressing political and economic issues since 2014. This format of international relations, of course, created a number of problems, but also allowed to make a breakthrough in the domestic industrial sector. Import substitution has become the main vector of movement of almost all sectors of the Russian economy. Currently, there are more than 1,100 import substitution projects in Russia in critical industries, 342 of which have reached the stage of serial production, and more than 760 are still “at the final stage” of implementation.
Sanctions policy against Russia is one of the most pressing political and economic issues since 2014. This format of international relations, of course, created a number of problems, but also allowed to make a breakthrough in the domestic industrial sector. Import substitution has become the main vector of movement of almost all sectors of the Russian economy. Currently, there are more than 1,100 import substitution projects in Russia in critical industries, 342 of which have reached the stage of serial production, and more than 760 are still “at the final stage” of implementation.

**Expected results of the policy of import substitution:**
- Import substitution measures have been implemented for key priority projects
- Critical dependence on strategically important technologies and components has been eliminated
- The level of import dependence of the Russian economy for most industries is less than 50%

**Share of imported products in total, %**

|MIP: Engineering-2019|
In general, we can talk about positive trends and an effective mechanism for the implementation of the import substitution strategy in Russia. However, the process of transformation and creation of a new national market on the basis of import substitution is not yet complete and, in addition to the prospects, there are a number of threats. And when replacing imports with domestically produced goods, half of them can be avoided if the State continues to keep the chosen course, reacting in a timely manner to market fluctuations.

Thank you for your attention!