

# State to Raise Economic Forecasts

By [The Moscow Times](#)

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The government will raise this year's economic forecast after output growth accelerated last quarter as household demand caught up with a recovery in commodity exports, Deputy Economic Development Minister Andrei Klepach said Tuesday.

Gross domestic product expanded an annual 5.4 percent in the three months through June, Klepach said.

The recovery last quarter was mainly fueled by a return of domestic spending after global demand for metals weakened and the pace of export growth ebbed, Klepach said. The economy grew 1.1 percent from the first quarter, adjusting for seasonal swings, he said. The government will probably raise its current forecast for growth this year of 4 percent, he said.

"Economic growth continues, but it hasn't become investment-oriented to the necessary extent," Klepach said. "The subcomponents of growth remain fairly fragile, with the exception of consumer demand."

The risk of low investment and a surge in imports may yet impede the recovery, Klepach told reporters.

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