

Budget Deficit Swells in July

By [The Moscow Times](#)

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The federal budget deficit widened in July, the Finance Ministry said Tuesday, citing preliminary figures.

The seven-month shortfall swelled to 538.84 billion rubles (\$17.96 billion), or 2.2 percent of gross domestic product, from 439.9 billion rubles in the first half of the year, the ministry said.

Russia posted a budget deficit of 5.9 percent of GDP last year, its first shortfall since 1999, as the economy contracted a record 7.9 percent. The government plans to sell assets, tap bond markets and increase taxes on oil, natural gas extraction and some metals exports to narrow the gap.

“The economy will feel the aftermath of the deep crisis,” Finance Minister Alexei Kudrin said July 28, adding that GDP will not reach pre-crisis levels until the fourth quarter of 2012.

Revenue totaled 4.66 trillion rubles at the end of July, or 60 percent of the government’s

target for the year, while spending was 5.2 trillion rubles, or 51 percent of the goal.

The government predicts a deficit of 5.4 percent of GDP this year, although Prime Minister Vladimir Putin has said the shortfall will be smaller. The budget gap is set to narrow to 3.6 percent of GDP next year, 3.1 percent in 2012 and 2.9 percent in 2013, Kudrin said.

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