

Audit Chamber Tweaks Ministry Over Pre-Crisis Forecasts

By [The Moscow Times](#)

August 29, 2010

The  Moscow Times

The Audit Chamber took the Economic Development Ministry to task on Friday, saying its forecasts for the crisis-hit 2009 were too inaccurate.

The ministry's predictions for gross domestic product growth in 2009 were off by 14.6 percentage points from the actual figures, while the maximum acceptable deviation is only 0.5 percentage point, Valery Goreglyad, a deputy head of the budget watchdog, said during a meeting.

Initial predictions for 2009 saw GDP growing 6.7 percent. That forecast was repeatedly revised downward: first to a 2.2 percent fall, then to an 8.5 percent decline. The economy contracted 7.9 percent that year, according to the State Statistics Service, which reports to the Economic Development Ministry.

Other poor predictions Goreglyad pointed to included an inflation forecast that was 0.3

percentage point off target, while the acceptable deviation is 0, and an investment forecast that was 30.8 percentage points off, with an acceptable deviation of 1.5 percentage points.

The ministry last week updated its forecasts for certain sectors of the economy. It forecast an 8.7 percent fall in agricultural output because of a drought that has severely curtailed grain harvest, down from an earlier forecast of 2.7 percent growth.

The ministry also increased its inflation forecast to between 7 percent and 7.5 percent, from an earlier range of 6 percent to 7 percent, because of fears that a grain shortage will lead to increased food prices.

GDP is expected to grow by 4 percent this year, unchanged from the previous forecast.

Original url:

<https://www.themoscowtimes.com/2010/08/29/audit-chamber-tweaks-ministry-over-pre-crisis-forecasts-a968>