

State Diamond Sale Can Wait, Kudrin Says

By [The Moscow Times](#)

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The government has no “pressing need” to sell diamonds it bought from Alrosa, the world’s largest rough-diamond producer, during the global economic crisis, Finance Minister Alexei Kudrin said Wednesday.

“We don’t have any problems with revenues this year, so we don’t have a pressing need to sell,” he told reporters. “On the other hand, the market is recovering well,” and the government has an opportunity to “gradually sell these stones for more than \$1 billion.”

Buying at lower prices was an anti-crisis measure and a good financial decision, he said, adding that the possibility of selling is being discussed. Kudrin declined to provide a possible time frame.

The economy, recovering from last year’s record 7.9 percent contraction, is set to expand 4 percent this year, even after the summer’s heat wave and drought shaved as much as 0.8

percentage points from growth, the Economic Development Ministry estimates. The budget, which is based on an average oil price of \$75 a barrel, is set to show a deficit of 5.4 percent of gross domestic product this year, according to government forecasts.

Prime Minister Vladimir Putin said Aug. 20 that regional and city governments wasted 415 billion rubles (\$13.5 billion) on “empty spending” last year. The deficit reached 5.9 percent of GDP in 2009, the first shortfall since 1999.

The government “must be frugal” with spending, Kudrin said. “We must boost the effectiveness of each ruble.”

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