

Budget Deficit Widens to \$20.9Bln

By [The Moscow Times](#)

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The federal budget deficit widened in August, the Finance Ministry said Friday, citing preliminary figures.

The eight-month shortfall swelled to 645.8 billion rubles (\$20.9 billion), or 2.3 percent of gross domestic product, from 538.84 billion rubles at the end of July, the ministry said on its web site.

Revenue totaled 5.3 trillion rubles at the end of August, or 68 percent of the government's target for the year, while spending was 5.9 trillion rubles, or 58 percent of the goal.

The government ran a budget deficit of 5.9 percent of GDP last year, the first shortfall in a decade, after the economy contracted a record 7.9 percent. Growing household spending and higher commodities prices are driving the recovery, with the budget deficit set to narrow to 5.3 percent of GDP this year, according to government forecasts.

Russia will have to "borrow heavily" to plug the gaps, Finance Minister Alexei Kudrin said

Wednesday. The government estimates the budget deficit at 3.6 percent of GDP next year, 3.1 percent in 2012 and 2.9 percent in 2013, Kudrin said.

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