

# Fitch May Upgrade Russia Within 2 Years

By [The Moscow Times](#)

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Fitch Ratings, which raised Russia's outlook to "positive" this month, said Thursday that it could upgrade the country back to its pre-crisis rating in the next two years, but added that oil dependence was a key risk.

Fitch currently rates Russia BBB, which is in investment grade territory, but one notch lower than before the global financial crisis pushed the country into recession in 2008-09.

"If the positive trends, which have influenced the change of the outlook, persist, then there is a good chance of the Russian rating being raised in the next two years," said Ed Parker, head of emerging Europe in Fitch's Sovereigns team.

To earn the upgrade, Russia would need to tighten fiscal policy, reduce dependence on oil and push through major structural reforms, he told a conference in Moscow.

"The biggest risk in Russia would be a significant, long-lasting fall in oil prices," Parker said.

Problem loans in the banking sector stopped growing in the third quarter of 2009, holding at about 25 percent of the portfolio, Fitch analyst Alexander Danilov told the conference.

Fitch predicts gross domestic product will grow 4.3 percent this year, then 4 percent in 2011 and 2012.

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