

Outflow Possibly Overstated

By [The Moscow Times](#)

June 19, 2011

The  Moscow Times

ST. PETERSBURG — Russia's net capital outflow this year may be less than the \$30 billion to \$35 billion forecast by the Central Bank, Finance Minister Alexei Kudrin said.

The main reason for capital flight is "the high oil price and the impossibility of investing this revenue on the domestic market," Kudrin said Saturday in St. Petersburg. "The second reason is political risk. Right now we are seeing a slowdown in investment. Once political stability is restored, it will pick up again. The third reason is the overall investment climate, including taxation."

Economic reforms will "aggressively accelerate after elections," Kudrin said. Net capital outflows totaled \$21.3 billion in the first quarter and \$35.3 billion in 2010.

(Bloomberg)

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