

Reel in Pre-Election Spending, Official Warns

By [The Moscow Times](#)

June 27, 2011

The  Moscow Times

STRASBOURG, France — The government has promised voters more social spending than it can muster without threatening the country's fiscal stability as elections approach, a deputy finance minister warned.

With State Duma elections due in December and the presidential poll in March 2012 in which Prime Minister Vladimir Putin or President Dmitry Medvedev could run, Russia has pledged extra funds for social programs and domestic output.

"If all programs announced by the government are fulfilled, the budget spending could reach 29 percent of GDP," Sergei Shatalov, deputy to hawkish Finance Minister Alexei Kudrin, told the Russian Economic and Financial Forum in Strasbourg on Sunday.

"And this is a serious danger for the financial stability of the state," he said, adding that Russia is not ready to withdraw fiscal stimulus measures that helped the country out of the crisis of 2008–2009.

In the first five months of the year, Russia, the world's largest oil producer, has been running a budget surplus thanks to rallying oil prices that have ensured inflows of dollars and support for the ruble despite weakening economic fundamentals. It has also underpinned a strong ruble, which has made crucial imports cheaper for Russian consumers.

Original url:

<https://www.themoscowtimes.com/2011/06/27/reel-in-pre-election-spending-official-warns-a7864>