The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Analysts Foresee H1 2012 Slump

By The Moscow Times

December 14, 2011



Russia will face the "largest impact" from the global slowdown in the first half of next year, bringing annual economic growth to 2.3 percent in 2012, Renaissance Capital said.

Gross domestic product will probably expand about 4 percent this quarter from a year earlier, resulting in full-year growth of about 4 percent in 2011, the Moscow-based investment bank said in an e-mailed statement Wednesday. The forecast is based on an index of economic activity that RenCap developed with the New Economic School.

"We expect to see increasing signs of this more moderate pace of economic activity on the back of weaker external demand and the completion of the inventory restocking cycle," analysts led by Ivan Tchakarov, chief economist at Renaissance Capital, wrote in the report.

"Supply-side indicators have already started to send weaker signals, but we expect demand-side parameters, including consumption, to catch up sometime in the first half of 2012," the economists wrote. "Heightened political uncertainty in the aftermath of the December Russian parliamentary elections will also weigh on growth in the first half."

Original url: https://www.themoscowtimes.com/2011/12/14/analysts-foresee-h1-2012-slump-a11426