

Fitch Says Flight Due To Anxiety

By [The Moscow Times](#)

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Russian capital outflows that surpassed the Central Bank's full-year estimate through the end of November reflect unease about the country's political outlook, Fitch Ratings said.

Capital outflows "partly reflect the poor business climate and political uncertainty," the ratings company said in an e-mailed statement this week, adding that the level is "not currently high enough to affect the country's BBB rating."

Outflows of about \$10 billion in November may have pushed the total this year to \$74 billion, Alexei Ulyukayev, a first deputy chairman of the Central Bank, said last week. That compares with a preliminary estimate of \$49 billion through the first nine months of the year and the Central Bank's own forecast of \$70 billion in outflows for 2011.

With international currency and gold reserves of \$513 billion as of Dec. 9, "external finances remain a strength for its rating," Fitch said. The amount has risen from \$479 billion at the end of last year. Russia is also helping offset the outflows by sending more goods and services abroad than it imports.

Political uncertainty following this month's parliamentary elections may exacerbate the capital flight, Fitch said in the statement. International observers said there was evidence of ballot-box stuffing as Prime Minister Vladimir Putin's United Russia suffered its worst result in a nationwide vote since 2003.

While the company does not expect Putin's authority to fragment amid a challenge from voters, any weakening would increase Russia's political risks and probably stoke further outflows of money, according to the report.

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