

IMF Raises Growth Forecast to 4%

By [The Moscow Times](#)

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Russia's economy will expand 4 percent this year, faster than previously estimated, as the world's biggest energy exporter benefits from higher prices for commodities, the International Monetary Fund said.

The forecast for 2013 was revised down to 3.9 percent because oil prices will probably retreat, the Washington-based lender said Tuesday in its World Economic Outlook. The 2012 prediction was upgraded from a 3.3 percent projection in January and was almost in line with the IMF's projection of 4.1 percent for this year made in September.

Slower investment following a surge last year may cut expansion to 3.4 percent in 2012, from an earlier forecast of 3.7 percent, the Economic Development Ministry said this month. Average prices for Urals crude will be \$115 a barrel this year, more than previously estimated, the ministry said. While higher crude prices are currently buffering Russia's economy, it remains exposed to deteriorating conditions in export markets, the IMF said.

A possible escalation of the European debt crisis also poses risks to Russia's financial

industry, it said.

"Distress in a systemically important euro area bank could cause an abrupt withdrawal of funding and raise the likelihood of banking-sector distress in Russia," the IMF said.

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