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Capital Outflows Estimated at $8Bln in April

By The Moscow Times

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The Economic Development Ministry predicts that net capital flight for 2012 will be about $25 billion.
Dmitry Abramov

Capital flight reached an estimated $8 billion in April, a much larger amount than expected, Deputy Economic Development Minister Andrei Klepach said Monday.

After net outflows of $35 billion in the fourth quarter of 2011 and $35.1 billion in the first quarter of 2012, the Economic Development Ministry had predicted that the rate of capital flight would drop off in the first month of the second quarter.

"Capital outflows are much more severe than we expected," Klepach said at a State Duma budget committee meeting, RIA-Novosti reported.

He said capital flight would likely continue into May, then drop off and reverse course, turning into inflows in the second half of this year. The Economic Development Ministry

predicts that net capital flight for 2012 will be about $25 billion, RIA-Novosti reported.

Net capital flight for the whole of 2011 was $80.5 billion, according to Central Bank data, Reuters reported last month. The regulator attributed the outflows to lack of investment opportunities and political uncertainty ahead of December's parliamentary vote and March's presidential election.

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