

Capital Flight Estimated at \$70Bln by Year-End

By [The Moscow Times](#)

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Capital flight from Russia accelerated in 2012 and may reach \$70 billion by the end of the year amid moderate inflation, the Central Bank said Wednesday.

Net private capital outflow reached \$61 billion during the first nine months of the year, exceeding the previous year's result by \$1 billion, Central Bank Chairman Sergei Ignatyev said at a meeting in the State Duma, Prime reported.

According to Central Bank data, net capital outflow for 2012 reached \$57.9 billion in September, Ignatyev reported, noting that in the last two months Russian financial markets lost \$9 billion.

The Central Bank forecasts that annual capital flight will reach \$67 billion in 2012. But the Economic Development Ministry does not rule out that the final number will be closer to \$70 billion, Prime said.

Capital flight totaled \$84.2 billion in 2011, far exceeding initial official forecasts and analysts' expectations.

Speaking about the inflation outlook, Ignatyev said there are good chances inflation will drop below 6 percent within a year, while it is likely to stay in the 6.5 to 7 percent range for the remainder of 2012.

The chief banker added that "thanks to consistently high oil prices" Russia's current balance of payments remained positive at \$79 billion, showing a minor drop from the previous year.

Both export and import activity demonstrated a 3 percent growth in the first nine months of the year, Ignatyev said.

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