

Belousov Cites Gazprom in Revised Investment Forecast

By [The Moscow Times](#)

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The Economic Development Ministry has decided to lower its forecast for investment growth in 2014-2015 largely because of a major reduction in Gazprom's 2014-2015 investment program, Minister Andrei Belousov told a cabinet meeting on Thursday.

"We've lowered the forecast for the dynamic of investments in fixed capital by an average of 0.6-0.7 percentage points per year," he said. This change is driven primarily by two key factors, Belousov said. "First, is the revision of the plans of large companies in the infrastructure sector at the end of last year. I would like to note, for example, that the [downward] adjustment of Gazprom's investment program for 2014-2015 is around 30 percent. The investment plans of energy and oil pipeline transport companies have been reduced by almost 10 percent," he said.

Gazprom had originally planned to spend 705 billion rubles (\$22.7 billion) this year, 957 billion rubles next year and 1.28 trillion rubles in 2015.

Secondly, the estimate of state investments is being reduced, "which is connected with the pressure on regional budgets and the substitution of investment spending with short term spending," Belousov said.

According to the Economic Development Ministry's new forecast, fixed capital investment will grow 4.6 percent this year, 6.6 percent in 2014, 7.2 percent in 2015 and 7.6 percent in 2016.

Belousov also said the forecast for exports of energy resources had been substantially lowered from the prediction set out last December. "This primarily applies to the gas market. The significant expansion of shale gas production in the U.S. and the expected launch of supplies to the European market by the end of the forecast period have lowered the estimate of gas exports from Russia by an average of 10 percent in relation to last year's forecast," the minister said. But the Economic Development Ministry has raised its forecast for petroleum product exports in comparison with the previous estimates.

Standard & Poor's said in a report on Thursday that it expected Russia's economic growth to slow to 3 percent this year, which would be the lowest growth rate Russia has seen since 1999, the Associated Press reported.

The ratings agency is forecasting a slowdown in Russia's economy, urging the government to improve the poor investment climate and make long-delayed structural reforms.

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