

Finance Ministry Won't Buy Foreign Currency for Reserve Fund

By [The Moscow Times](#)

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The Finance Ministry said it would not buy any foreign currency for the rainy day Reserve Fund due to a worsening economic outlook.

The Economic Development Ministry's new forecast of lower economic growth led to a change of plans, Deputy Finance Minister Alexei Moiseyev told Prime news agency, Vedomosti reported Thursday.

The projected rate of growth has fallen to 1.8 percent from an original 3.6 percent.

In June, Finance Minister Anton Siluanov said that he was considering buying foreign currency in an effort to spur economic growth by weakening the ruble and making exports more competitive.

Siluanov's announcement caused the ruble to quickly lose value. After trading at 31.6 rubles

per dollar on June 18, it fell to 33.26 rubles per dollar by the beginning of July.

The exchange rate is currently relatively stable about 33.31 rubles after the Russian currency appreciated slightly on the Finance Ministry's decision not to buy foreign currency.

Moiseyev said that his ministry could consider the measure again if the price of oil hit \$150 per barrel. The cost of a barrel of crude oil, a general marker for the strength of the Russian economy, recently stood at about \$110 before beginning to fluctuate this week over worries about conflict in Syria. The Economic Development Ministry expects the price to slide to \$106 by the end of the year.

The Reserve Fund grew 31.56 billion rubles (\$940 million) last month and now holds 2.8 trillion rubles (\$80 billion).

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