

IMF Cuts Russia Growth Forecast

By [The Moscow Times](#)

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The government should resist pressure for higher spending and aim to rebuild its financial buffers, the International Monetary Fund said Tuesday, cutting its forecast for economic growth this year.

"Growth is slowing down and risks are tilted to the downside on account of potential external and internal shocks," the IMF said, urging Russia to increase potential output growth, implement structural reforms and improve the investment climate.

The cut Russia's 2013 GDP growth forecast to 1.5 percent from an earlier 2.5 percent, saying the economy remains close to full capacity. The government has also revised down its forecast, to 1.8 percent, half the rate it was predicting at the beginning of the year.

The IMF said restraint on government spending would avoid intensifying inflationary pressures, with consumer price inflation nonetheless likely to exceed the authorities' 4 to 5 percent target range next year.

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