

Individual Debt to Hit \$300Bln by End of 2013

By [The Moscow Times](#)

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Russians will have racked up 10 trillion rubles (\$300 billion) in debt by the end of this year, Vedomosti reported Friday, citing the Central Bank.

Increasing consumer lending in Russia this year has created concern that the market may be overheating, with officials voicing concerns over possible financial volatility if the trend is not checked.

Just under half of the 10 trillion rubles owed to banks is unsecured consumer borrowing, the head of the financial regulator's bank regulation department Vasily Pozdyshev told the business daily.

The amount of retail credit in Russia has increased 24.3 percent this year, according.

Despite the country's slowing economy and forecasts of limited growth over the next 20

years, the Central Bank is currently seeking to reduce more risky borrowing practices, including a move to cap loans issued at a high rate of interest.

"Consumer lending may become not so much an engine of growth as a threat to financial stability," Central Bank chairwoman Elvira Nabiullina told Russian lawmakers last week, according to a transcript on the regulator's website.

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