

Russian Media Downplay Extent of Ruble Crisis

By [Howard Amos](#)

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While the ruble pinballed erratically between 58 and 80 per U.S. dollar on Tuesday, making headlines around the world, Russia's state-run media have attempted to take a soft and conciliatory stance on the home currency's woes.

A news bullet by state-owned Channel One aired at 6 p.m. on Tuesday made the ruble plunge and the Central Bank interest rate hike their second item on the news program. The top story was a school attack in Pakistan that has left 135 people dead.

The anchor mentioned that the ruble had hit "historic lows," but the table on the screen showed the Central Bank's official currency exchange rates, which were still at 61.15 to the dollar when the market rate had already surpassed 71.94.

The channel cited experts as saying they did not exclude the possibility that the ruble would recover in the coming days, and the report ended on an inspiring note that "the battle for the

ruble has only begun."

Another report said the prime minister's Cabinet would convene to discuss the situation and aired an interview with the Central Bank's head, Elvira Nabiullina, who defended the regulator's decision to hike the interest rate by 6.5 percent and said the ruble's decline provides a chance for import substitution.

Nabiullina also gave an interview to state-run channel Rossia-1, but several economists have said that government officials should be more active in explaining their decisions.

The apparent unwillingness of Russian state-owned media to give airtime to the ruble's troubles — particularly among television channels that are more tightly controlled by the Kremlin — may reflect the political sensitivity of the issue, as well as a desire to avoid panic.

Most Russians get their news from state-run television, which has closely mirrored President Vladimir Putin's anti-American rhetoric during the Ukraine crisis and at times been accused of propaganda or misleading coverage.

In a popular sleight of hand, state-owned news outlets have preferred to describe the ruble's falls in recent months as the euro or dollar rises, perhaps to deflect attention from the detriment of the Russian currency.

"Western currencies gained in value at breakneck speed all day Monday," one report on state-controlled NTV said late Monday.

In contrast to state-run TV channels, Russia's privately owned media sounded more alarmed. The Kommersant newspaper headlined its webpage with a quote from the Central Bank's first deputy head Sergei Shvetsov, who called the situation "critical." The Vedomosti business daily floated the possibility of an introduction of capital controls as its top story, with a subhead saying that "the government might have no other choice."

At the same time, the Izvestia newspaper — owned by the National Media Group, which is reportedly close to Putin's inner circle — had no ruble-related story on the top of their website's main page at all. Instead, the top story was about Lockheed and Boeing collaborating with Russia in the space industry.

For the most part, Western newspapers were very vocal in their negative assessment of the Russian economy. The Washington Post's most-read business story on Tuesday was an opinion piece titled: "Sorry, Putin. Russia's Economy is Doomed."

Other Western papers, such as The Guardian and The New York Times, had straightforward news stories about the ruble's ongoing hardship.

Contact the author at h.amos@imedia.ru and i.nechepurenko@imedia.ru

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