

Economy Minister Says Russia Partly to Blame for 'Perfect Storm' of Economic Collapse

By [The Moscow Times](#)

December 18, 2014



Russia's Economy Minister Alexei Ulyukayev.

Western sanctions over Russia's role in the Ukraine crisis are likely to last "for a very long time," possibly decades, Economy Minister Alexei Ulyukayev told Vedomosti newspaper.

"When a U.S. law is passed it is very hard to change it afterwards — looks like it will be in place for decades," Ulyukayev said in an interview published Thursday.

Russia's economy is heading for recession, dragged lower by sanctions imposed by the West over Ukraine and weak oil prices, a cornerstone of state revenues. The ruble has lost more than 45 percent against the dollar since the start of the year.

Ulyukayev said a lack of structural reform of the economy had partly set Russia up for "the perfect storm."

He added that if there were no sanctions, no falling oil prices and if "we had not done some foolish things" which he did not elaborate on, the Russian economy could show annual growth of between 2.5 and 3 percent.

He added that sanctions may become tougher next year with the situation on the oil markets worsening further.

"The situation is so hard to predict that we cannot be prepared for its changes in the future ... How should we behave then? Write one more stress-scenario in addition to (the oil price at) \$60 (per barrel)? Let's do it for \$40, \$20 and \$10," he said ironically.

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