IMF Predicts Russian Economy Will Shrink 3.5 Percent in 2015

By [The Moscow Times](#)

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International Monetary Fund (IMF) President Christine Lagarde.

BEIJING — The International Monetary Fund has lowered its forecast for global economic growth in 2015, with oil exporter Russia suffering one of the largest markdowns.

Russia's economy will shrink by 3.5 percent this year, the IMF said in its latest World Economic Outlook report, lowering its previous forecast of zero growth.

The IMF also revised Russia's 2016 economic outlook down by 2.5 percentage points from 1 percent growth to a 1.5 percent contraction.

Projections for other emerging economies were also broadly cut back, with the forecast for oil exporters Nigeria and Saudi Arabia, alongside Russia, worsening the most.

Globally, the IMF has projected growth at 3.5 percent for 2015 and 3.7 percent for 2016, lowering its forecast by 0.3 percentage points for both years.

"New factors supporting growth, lower oil prices, but also depreciation of the euro and yen, are more than offset by persistent negative forces, including the lingering legacies of the crisis and lower potential growth in many countries," Olivier Blanchard, the IMF's chief economist, said in a statement.

The IMF advised advanced economies to maintain accommodative monetary policies to avoid increasing real interest rates as cheaper oil heightens the risk of deflation.

If policy rates could not be reduced further, the IMF recommended pursuing an accommodative policy "through other means."

The United States was the lone bright spot in an otherwise gloomy report for major economies, with its projected growth raised to 3.6 percent from 3.1 percent for 2015.

The United States largely offset prospects of more weakness in the euro area, where only Spain's growth was adjusted upward.

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