

Russia's Economy 'Less Diversified Than Soviet Union' – European Development Bank Chief

By [The Moscow Times](#)

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Russia's economy is now less diversified than it was during the Soviet Union, Suma Chakrabarti, head of the European Bank for Reconstruction and Development (EBRD), was quoted as saying by news agency TASS on Thursday.

"Research that we carried out in 2012 showed that Russia was less diversified than it was during the Soviet Union. And its even less diversified now," the bank head told journalists.

During the period of rising oil prices from the late 1990s the Russian economy became increasingly reliant on the energy sector. Over half of government revenue now comes from taxes on oil and gas, leaving the country vulnerable to last year's drop in oil prices.

Russia's economy is expected to shrink by up to 5 percent this year.

The EBRD was founded in 1991, shortly after the dissolution of the Soviet Union, in order to develop and invest in post-Soviet economies.

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