

# Worst Not Over for Russia as Economy Shrinks 4.3% in April

By [The Moscow Times](#)

May 27, 2015



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Russia's economic recession deepened in April as the decline in gross domestic product accelerated to 4.3 percent year-on-year, quashing hopes that the worst of the crisis had passed, state development bank VEB said in a report released Wednesday.

"The accelerating fall in GDP in April indicates that the crisis still hasn't passed its lowest point," the report cited VEB's chief economist Andrei Klepach as saying.

The drop exceeded many economists' expectations, nipping hopes for a quick economic recovery in the bud.

Just earlier this month, German Gref, the head of Russia's biggest lender Sberbank, declared that the peak of Russia's economic crisis had passed, the TASS news agency reported.

Deputy Economic Development Minister Alexei Vedev last week forecast a milder contraction

of 4 percent in April, the Interfax news agency reported.

Russia's GDP dropped by 0.6 percent in April, accelerating from a 0.4 percent decline in March. The economy shrank by a total of 2.5 percent in the first four months of the year, according to VEB.

Russia's economy has slowed sharply since the beginning of last year due to Western sanctions over the Ukraine crisis and a plunge in the price of oil, Russia's main export.

Russian GDP growth fell into negative territory in November last year, dropping 0.5 percent year-on-year for the first time since 2009, according to a report by the Economic Development Ministry.

The steep slump in April was led by a 2 percent fall in manufacturing, a 1.5 percent drop in retail and a 0.5 percent decline in mining production, according to the VEB report.

The downturn was also aggravated by a fall in the volume of oil exports, the report said, adding that a surge in exports of oil and oil products had propped up the economy in the beginning of the year.

First Deputy Prime Minister Igor Shuvalov on Wednesday called the latest economic growth figures "disappointing," the TASS news agency reported.

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