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INDEPENDENT NEWS FROM RUSSIA

Russian GDP Down 3.6 Percent in First Seven Months

By The Moscow Times

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Since early 2014, Russia's economy has slowed dramatically due to a sharp drop in global oil prices and Western sanctions imposed on Russia over its role in the Ukraine crisis.

Russian gross domestic product dropped by 3.6 percent in the first seven months of the year, compared to the same period last year, Russia's Economic Development Ministry said in a report issued Friday.

Drops in construction and investment remain the major negative factors affecting the Russian economy, the report said.

In July, the GDP decline accelerated to 4.6 percent year-on-year. However, for the first time since the start of the year, the Russian economy grew by 0.1 percent last month compared to June.

The Economic Development Ministry said in the report that Russian GDP reached

an inflection point in July.

Mining, manufacturing, retail, production, and distribution of electricity, gas and water all positively influenced the dynamics of Russian GDP in July, the report said.

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On Tuesday, the Economic Development Ministry said it updated Russia's GDP decline forecast for this year to 3.3 percent from an earlier projection of 2.8 percent, Interfax news agency reported.

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