The Moscow Times
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Russian Central Bank Predicts Uneven Economic Recovery

December 02, 2016

Elvira Nabiullina, chairman of Russia's central bank. **Vedomosti**

Russia's economic recovery will be uneven and may not immediately benefit all sectors, the Central Bank predicted Friday.

"Growth is limited, first and foremost, by structural factors," Director Elvira Nabiullina said during an appearance at the State Duma.

"We estimate a potential GDP growth rate of less than 1.5-2 percent, provided there are no changes in the structure of the economy," Nabiullina said.

Nabiullina also confirmed that the Central Bank would lower the key interest rate no sooner than the first or second quarter of 2017.

Currently, the year to date inflation rate stands at 4.5 percent. However, inflation has decreased significantly and is expected to decrease further by the end of the year. This had led some to believe a rate reduction would come sooner.

The Central Bank has decided on a more conservative course. Loosening monetary policy too dramatically would weaken the ruble and speed inflation, Nabiullina said.

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