

Cost of Lending Should Fall in Russia, Medvedev Says

By [Reuters](#)

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Dmitry Medvedev (Alexander Astafyev / TASS)

The cost of lending should fall in Russia to beef up economic growth, Prime Minister Dmitry Medvedev said on Thursday, making a rare intervention on monetary policy issues days before the central bank meets.

The bank, which meets on Sept. 14, is facing a policy conundrum, with a recent rapid slump in the ruble to its weakest levels since 2016 pointing to higher rates while still low inflation and sluggish economic growth favor a cut.

"We are planning to strive for lower cost of loans," Medvedev told an annual Moscow Financial Forum.

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Russia's central bank is independent and its governor, Elvira Nabiullina, is viewed as a stable hand on the tiller by markets and investors.

But she has sent mixed signals this week.

Nabiullina said on Tuesday the bank saw reasons to hold the key interest rate at 7.25 percent or even raise it as soon as at the next meeting.

On Thursday she said it should keep monetary policy relatively tight to control upside risks to inflation.

Medvedev said it was time for the bank to "switch from neutral to accommodative."

"It is important for creating conditions for more solid growth in the economy as a whole... Despite the success we have with taming inflation... rates remain pretty high. In this respect, we count on the active position of the Bank of Russia."

Speaking at the same forum as Medvedev, the central bank's new monetary policy chief, Alexei Zobotkin, said some factors appeared in favor of raising rates, and monetary policy should remain moderately tight at least to the end of this year.

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