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Duma Approves Russian Budget for 2019-2021, Projects $62Bln Surplus

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Sergei Kiselyov / Moskva News Agency

Russia's State Duma has passed a three-year budget that pursues a macroeconomically sound policy projected to bring a $62 billion surplus over the period, though economists say it may sidetrack President Vladimir Putin's goal of Russia joining the world's top five economies by 2024.

Analysts have said that the 2019-2021 budget's strategy to store $200 billion in rainy-day funds is prudent but bad for growth. Russian officials have been open about their desire to hoard cash in case the economy is buffeted by fresh sanctions or a new global crisis.

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The new budget plan envisions a surplus of 1.9 trillion rubles ($28.8 billion) next year, 1.2 trillion rubles in 2020 and 952 billion rubles in 2021.

The Duma voted 361-62 in a third and final reading of the budget bill on Wednesday.

Putin's six-year plan to improve the country's demographics, healthcare and infrastructure has a projected cost of 5.6 trillion rubles between 2019 and 2021, according to the Duma's website.

The Russian Central Bank has estimated GDP growth could reach 1.7 percent next year and 2.3 percent and 3 percent in 2020 and 2021 respectively, discounting external shocks.

The Duma lawmakers also passed on Wednesday a third and final reading of the 2018 budget surplus' fourfold increase.

The bills are scheduled to go to the upper-house Federation Council on Friday for a full vote.

Reuters contributed reporting to this article.

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