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World Bank Downgrades 2019 Growth Forecast for Russia

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Kevin Lamarque / Reuters

The World Bank has said it expects Russia's economy to grow by 1.5 percent this year instead of the previously forecast 1.8 percent.

After two years of decline brought by Western sanctions and a collapse in global oil prices, Russia's economy returned to a growth rate of 1.5 percent in 2017. Economy Minister Maxim Oreshkin projects overall GDP growth for Russia of 1.3 percent in 2019.

"In Russia, growth has been resilient, supported by private consumption and exports," the World Bank writes in a report published Tuesday. "However, momentum has slowed, reflecting policy uncertainty, recent oil price declines, and renewed pressures on currency and asset prices."

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The U.S.-based bank estimated growth of 1.6 percent in Russia in 2018, and projects 1.8 percent growth in 2020 and 2021.

Emerging market economies are expected to grow at 4.2 percent this year, with advanced economies expected to grow at 2 percent, the World Bank said in the report.

The growth of the global economy is expected to slow to 2.9 percent in 2019 compared with 3 percent in 2018, the World Bank said, citing elevated trade tensions and international trade moderation.

Reuters contributed reporting to this article.

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