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Russia's Capital Outflow More Than Doubled in 2018 to $68 Bln – Reports

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Sergei Kiselyov / Moskva News Agency

Russia saw a net capital outflow of $67.5 billion in the private sector in 2018, or 2.6 times more than the previous year, according to reports citing Russian Central Bank data.

Capital outflow increased in Russia in recent months on the back of tightening Western sanctions. Initial Central Bank estimates placed the net outflow of capital from Russia at $31.3 billion in 2017, 1.6 times more than the previous year.

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Russia's Central Bank now estimates net capital outflow in 2017 totaled $25.2 billion and almost tripled in 2018 to $67.5 billion, Interfax reported Thursday.

Around $36.5 billion worth of capital left Russia between October and December 2018, the

news agency cited bank data as saying.

Last year's net capital outflow posted a four-year high, according to ING economist Dmitry Dolgin. The Dutch financial services company said the $67.5 billion was "second only to the panic-driven $152 billion seen in 2014."

ING is not ready to take the increase as a sign of "systematically higher nervousness" because the late 2018 net outflow was "driven by the accumulation of international assets," Dolgin said.

Other alleviating factors in ING's thinking include a better-than-expected $115 billion in 2018 current account surplus and slower government net capital outflow.

Dolgin forecast the outflow to slow down to around $30 billion in 2019 with renewed foreign exchange interventions.

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