The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Central Bank Survey Says Russia's Economic Outlook Worsens

By AFP

April 21, 2022



Central bank governor Elvira Nabiullina. **duma.gov.ru**

Russia's economic outlook has worsened as a Central Bank survey on Thursday showed a deeper contraction than previously expected and inflation soaring to 22% this year.

While President Vladimir Putin insists the economy has managed to weather the barrage of unprecedented sanctions imposed since he sent troops to Ukraine on February 24, economists believe that the worst impact of the sanctions is still to come.

Speaking in parliament on Thursday, Central Bank Governor Elvira Nabiullina warned of "difficulties" and the "structural transformation" of the Russian economy due to debilitating sanctions.

"Difficulties are appearing across all sectors, in both big and small companies," she said.

Nabiullina said the transformation of the economy, which has relied heavily on imports of

manufacturing equipment and consumer goods, had begun.

"Due to sanctions, Russian consumers and manufacturers are losing access to markets for the import and export of finished products and components," she said.

"Problems may arise even when production has a high degree of localization when there is a sufficiently high degree of import substitution," she said.

In the latest survey taken by the Bank of Russia on April 13-19, economists forecast an economic contraction of 9.2% this year while inflation is now expected to accelerate to 22%.

In a previous poll in March, economists had expected the gross domestic product to fall by 8% this year and for the annual inflation rate to reach 20%.

In their latest assessment, the economists also trimmed their growth outlook for next year to zero from 1% previously.

According to the survey, unemployment will grow to 6.9% at the end of the year from 4.3% in late 2021.

The ruble, which has recovered after plunging to an unprecedented level of 150 to the dollar following the sanctions, is expected to trade at 85 rubles this year, 90 rubles in 2023, and 96 rubles in 2024.

It was trading around the 80 to the dollar mark on Thursday.

Original url:
https://www.themoscowtimes.com/2022/04/21/central-bank-survey-says-russias-economic-outlook-worsens-a77447