

Russia Says Economy to Shrink Less Than Forecast

By [AFP](#)

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Economic Development Minister Maxim Reshetnikov. **Kirill Kukhmar / TASS**

Russia's sanctions-hit economy will shrink by less than previously forecast this year and return to growth in 2024 on the back of domestic demand and investment, the economic development minister said Wednesday.

Gross domestic product will contract by 2.9%, up from a previous projection of negative four percent, said Economic Development Minister Maxim Reshetnikov told the upper chamber of parliament.

The International Monetary Fund has forecast a 6% contraction in Russia this year.

The country's economy has been thumped by a series of unprecedented Western sanctions over the conflict in Ukraine.

Reshetnikov said GDP will shrink by 0.8% next year due to a drop in exports.

But it will grow by 2.6% in 2024 thanks to "an increase in domestic demand, the level of consumption and investments," he said.

The "redirection" of Russian oil and gas exports toward "neutral countries" will help to support economic activity by 2024-2025, the minister added.

Reshetnikov spoke hours after President Vladimir Putin ordered a partial military mobilization in Russia, an escalation of Moscow's offensive in Ukraine that could have an impact on the economy.

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