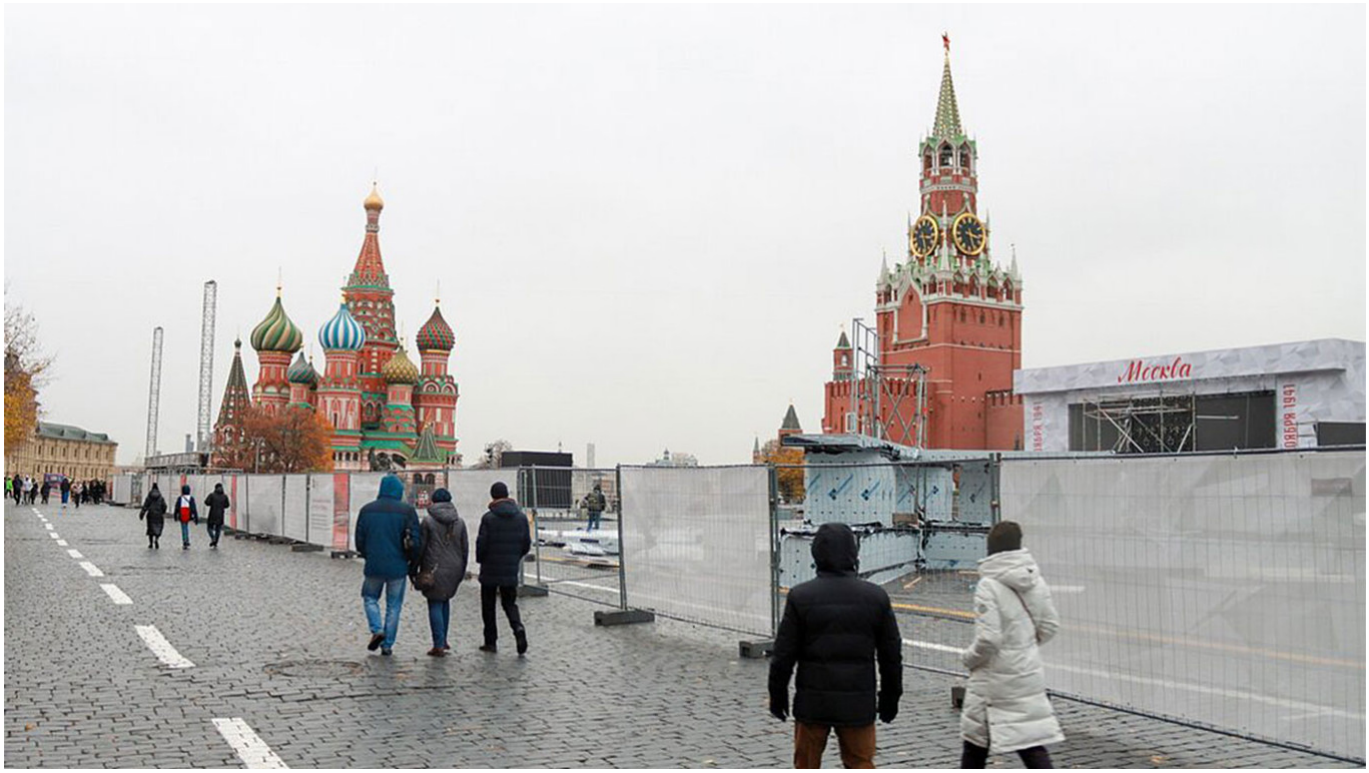
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IMF Lowers Russia's 2024 GDP Growth Forecast

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Red Square in Moscow. **Moskva News Agency**

Russia's economy is set to grow by 1.1% in 2024, slower than previously predicted, the International Monetary Fund said Tuesday in its latest World Economic Outlook report.

The updated forecast placed Russia at the bottom of the IMF's list of major emerging markets and developing economies, where average growth for this year and next was predicted at 4%.

Russia's Central Bank back in September trimmed its own 2024 GDP growth forecast to 0.5-1.5%, compared to 0.5-2.5% in July.

The IMF's updated forecast comes as Moscow plans to increase defense spending by almost 70% next year, outpacing spending on social policy, as well as education, environmental protection and healthcare, according to the Finance Ministry's draft budget.

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Meanwhile, the IMF raised Russia's 2023 growth forecast to 2.2%, up from the 1.5% growth it predicted in July, due to "a substantial fiscal stimulus, strong investment, and resilient consumption in the context of a tight labor market."

Russia's Economic Development Ministry forecasts 2.8% GDP growth in 2023.

Last year, sweeping capital controls, an emergency interest rate hike and a rapid surge in the production of guns, missiles, tanks and artillery shells to be used against Ukraine helped Russia's economy defy predictions of a double-digit hit to GDP.

But economists generally agree that Russia's economy is overheating, partly as a result of a rapid increase in government spending to fund its invasion of Ukraine, and efforts to battle inflation are likely to stunt growth.

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