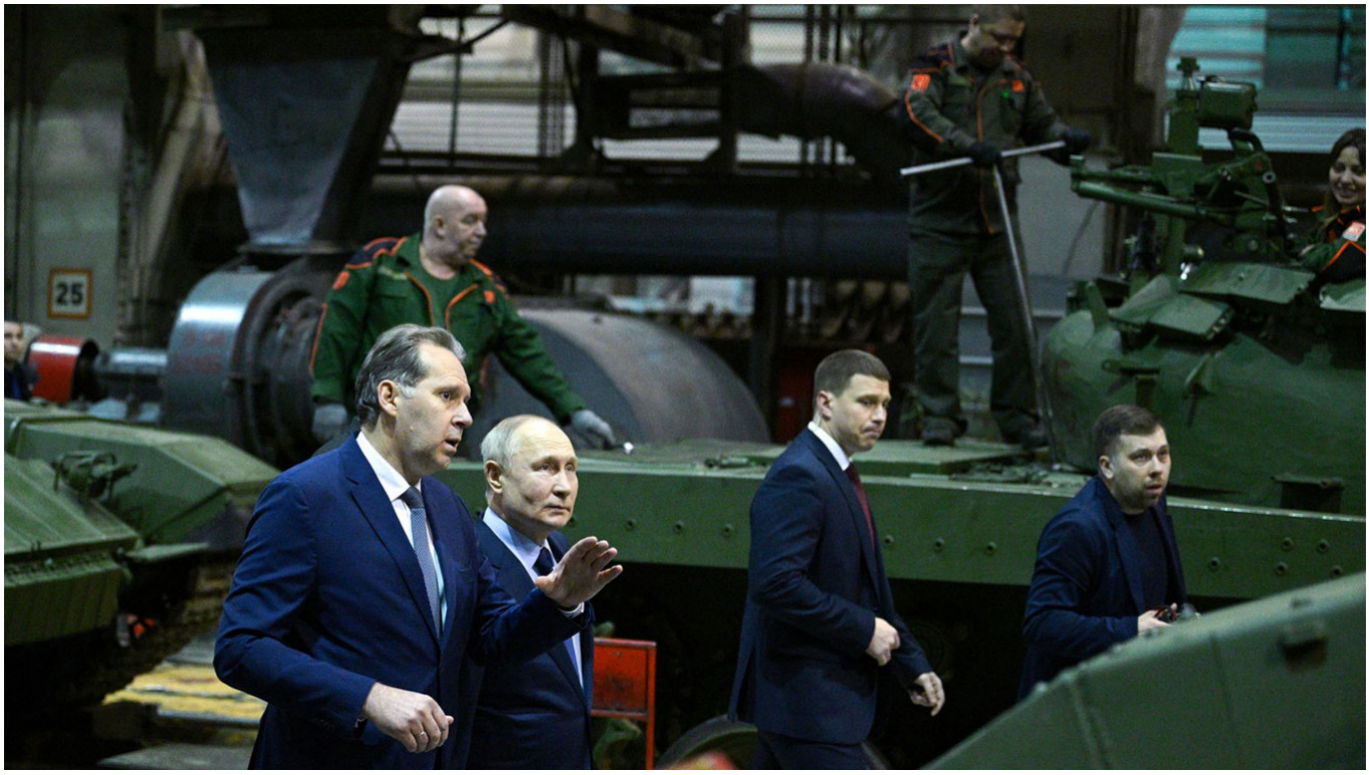
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IMF Raises Russia's Growth Forecast for 2024

By AFP

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Russian President Vladimir Putin at the Uralvagonzavod plant. **Ramil Sitdikov, RIA Novosti / kremlin.ru**

The International Monetary Fund (IMF) has upgraded its forecast for Russia's economic growth in 2024, as surging military spending helps shield the sanctions-battered country from an economic downturn.

Russia's economy is expected to grow 3.2% this year, up from the previous forecast of 2.6% issued in January, the IMF said in its World Economic Outlook report published on Tuesday.

The Kremlin has earmarked 10.8 trillion rubles ($115 billion) for defense spending in 2024, thus placing its economy more firmly on a war footing as the conflict in Ukraine drags on with seemingly no end in sight.

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The splurge in spending has helped Russia defy predictions of a sharp downturn that some observers initially predicted when President Vladimir Putin launched the full-scale invasion of Ukraine in February 2022.

But the mobilization of hundreds of thousands of soldiers, an increase in domestic arms production and an exodus of men seeking to avoid being drafted into the military have created deep labor shortages in parts of the economy.

All of that has combined to create a spiral of rising wages and consumer prices.

Russia's Central Bank kept interest rates unchanged last month, as Governor Elvira Nabiullina warned that the economy continued to show signs of overheating.

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