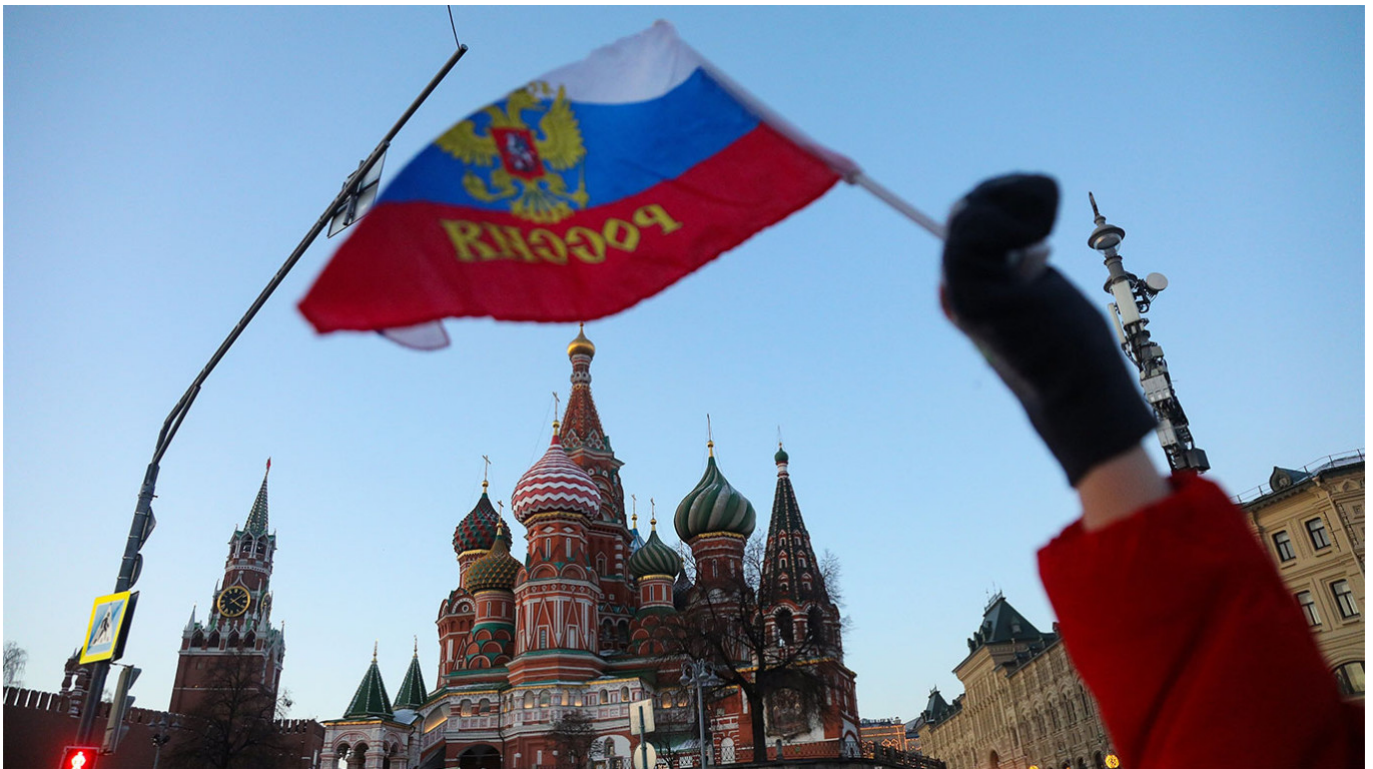


IMF Raises Russia's Growth Forecast for 2024

By [AFP](#)

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Arthur Novosiltsev / Moskva News Agency

The International Monetary Fund on Tuesday boosted its 2024 growth forecast for Russia, with surging government spending on the war continuing to provide a powerful economic stimulus for the country.

The IMF also slashed its outlook for Ukraine, whose economy and infrastructure have been battered by two and a half years of conflict. Both Russia and Ukraine are spending huge sums to continue fighting in the war, with Moscow's state expenditures having helped the economy grow strongly despite a barrage of Western sanctions.

According to its latest forecast, the IMF said it expects the Russian economy to expand by 3.6% in 2024, up from a previous forecast of 3.2%. But it also cut its prediction for next year's growth from 1.5% to 1.3% amid signs of mounting economic problems.

Russia's Central Bank has repeatedly warned of the dangers of the government's military spending, saying the economy has been “overheating” for months. High inflation — 8.6% in September — and intense labor shortages are also posing economic headaches for Moscow.

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In a rare move, President Vladimir Putin acknowledged earlier this month that Russia's record low unemployment of 2.4% was a “limiting factor” for the country's growth prospects.

Russia's Central Bank has raised interest rates to 19% in a bid to bring inflation under control, and it could increase them again at a meeting this coming Friday.

Russia's Finance Ministry, meanwhile, proposed raising military spending next year by almost 30% to around \$145 billion, with combined defense and security spending set to account for approximately 40% of state expenditures.

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