

Klepach Says Ruble to Weaken, Inflation to Pick Up

By [The Moscow Times](#)

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The ruble will weaken this year, spurring capital outflows, and inflation will be faster than previously expected, Deputy Economic Development Minister Andrei Klepach said Monday.

The currency will probably average 30.4 per dollar this year and 30.5 against the greenback in 2011, weaker than the previous forecast of 30 rubles to the dollar in 2010 and 29.3 in 2011, Klepach told reporters.

The ruble has averaged about 30.2 against the dollar this year.

A weaker ruble will result in a "pause" in capital inflows, Klepach said. "We are not predicting substantial capital inflows, which we've seen in pre-crisis years, for the period" from 2010 through 2013, he said.

Russia may post a net capital outflow this year of about \$10 billion, Klepach said, reversing

the government's forecast for capital inflow. Net outflows amounted to \$1.1 billion in August, Goldman Sachs Group said Thursday, compared with \$4.5 billion of inflows in the second quarter, Central Bank data show.

Inflows may reach \$10 billion next year and \$5 billion in 2012, before flattening out to zero in 2013, Klepach said.

The ruble will nearly stop strengthening against the currencies of Russia's main trading partners in 2012 when the effects of inflation are stripped out, Klepach said.

The ruble's real effective rate is set to increase 10.7 percent this year and 5.7 percent in 2011, he said. In 2012, the rate will rise 0.1 percent and will decline 2.1 percent in 2013, he said, citing ministry forecasts.

The ministry left its estimate for the average price of Urals oil, Russia's export blend of crude, unchanged at \$75 a barrel for this year and 2011, Klepach said.

Gross domestic product growth next year may be 4.2 percent, compared with the earlier forecast of 3.4 percent, he said. The ministry also increased its forecast for growth in 2012 to 3.9 percent from 3.5 percent.

Inflation, too, is growing and will likely be 7 percent to 8 percent this year, rather than the earlier target of 6 percent to 7 percent, Klepach said. Next year, the government expects inflation of 6 percent to 7 percent, compared with 5.5 percent to 6.5 percent previously forecast.

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