

Kudrin Wants Focus on Inflation, Not Ruble

By [The Moscow Times](#)

April 25, 2011

The  **Moscow Times**

Finance Minister Alexei Kudrin said Monday that he would prefer the Central Bank to focus on taming inflation rather than weakening the ruble.

Prime Minister Vladimir Putin last week ordered the country's fiscal authorities, including the Economic Development Ministry, to discuss the option of preventing a stronger ruble, which would mean a deviation from the Central Bank's recent policy of leaving the national currency only loosely regulated.

Putin issued the order at a government meeting with senior members of the big business lobby, the Russian Union of Industrialists and Entrepreneurs, who complained that a strong ruble hurt revenues from exports.

Speaking at a joint meeting of the Finance and Economic Development ministries at the White House, Kudrin said — as Putin looked on — that a lower inflation rate means more accessible

loans for businesses and therefore healthier economic growth.

Central Bank Chairman Sergei Ignatyev left the session without commenting.

Economic Development Minister Elvira Nabiullina didn't address the matter directly, but said the economy needs to expand more than the 4.2 percent forecast for this year under the assumption that a barrel of Russian crude sells for \$105. Her ministry expects next year's economic growth to come in at 3.5 percent with oil at \$93 per barrel.

The ruble appreciated an impressive 10 percent in the first quarter, the ministry said Monday. The Central Bank set Tuesday's exchange rate at 27.99 rubles per dollar.

Kremlin economic aide Arkady Dvorkovich said Monday that he viewed the current rate as acceptable.

Despite a seeming lack of high-level concern about the strengthening national currency, the federal budget, heavily dependent on duties and taxes from export revenues, is getting fewer rubles to support its massive pre-election spending — which could signal an eventual compromise with the exporters.

Original url:

<https://www.themoscowtimes.com/2011/04/25/kudrin-wants-focus-on-inflation-not-ruble-a6574>