

Klepach Calls Ruble Overvalued

By [The Moscow Times](#)

September 15, 2011

The  **Moscow Times**

The ruble is significantly overvalued, pushing Russia toward a current account deficit in the medium term, Deputy Economic Development Minister Andrei Klepach said Thursday.

"Our position is that it is overvalued — I think by at least 10 percent," Klepach told the Reuters Russia Investment Summit.

"Considering the huge gap between imports and domestic production, and given the longer-term risks — not what is happening right now or early next year, but within two years — we're moving toward a negative current account balance."

Thanks to high oil prices and increased gas exports to Europe, Russia saw a current account surplus of \$57.6 billion in the first six months of this year. But the strong ruble makes imports more attractive, and those are set to rise by more than 30 percent in real terms this year.

Russia is on track to reach post-Soviet record-low inflation in 2011, and it may even come below the 6.5 percent to 7.0 percent official forecast, Klepach said.

"Our estimate is more or less 6.5 percent, maybe below," Klepach said.

Consumer prices have risen 4.6 percent since the start of the year, according to Wednesday's data from the State Statistics Service.

Original url: <https://www.themoscowtimes.com/2011/09/15/klepach-calls-ruble-overvalued-a9557>