

Ministry Slams Tightening

By [The Moscow Times](#)

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The Economy Ministry criticized proposed changes to budgetary policy, saying that without a looser fiscal policy the economy faces long-term stagnation.

New fiscal guidelines that are backed by the Finance Ministry and are now before parliament would constrain the government's ability to spend its hoard of petrodollars, a critical issue, as the government relies on energy taxes for half its revenues.

"We agree with those who say that it's necessary to correct the budget rule," Deputy Economy Minister Andrei Klepach said Friday, presenting the ministry's long-term forecasts of Russia's economic development until 2030.

"It's impossible to achieve [high-growth] scenarios without a budget deficit and a softening of the budget rule," he said, referring to a new oil-price rule for the budget that would limit Russia's ability to spend oil revenues.

(Reuters)

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