

# IMF Economist Calls for Ambitious Reforms

By [The Moscow Times](#)

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Antonio Spilimbergo, an economist at the International Monetary Fund (IMF), has said that "ambitious economic policy reforms" are necessary to battle back against high inflation and slowing economic growth and realize the economy's potential, after meeting with high ranking governmental officials in Moscow this week.

Spilimbergo met with Finance Minister Anton Siluanov and Central Bank head Sergei Ignatyev during a visit from June 5 to 18 as part of the Article IV consultation, an extensive annual discussion process between IMF staff and member countries. In a summary statement published on the IMF website Wednesday he said the country's "precrisis growth model, based on increasing oil prices and rising use of spare capacity, is no longer viable."

"Economic activity has been constrained by weak investment and external demand," Spilimbergo said in the statement. "At the same time, the economy remains at full capacity, with unemployment at historic lows and capacity utilization at pre-crisis highs. We project

growth at 2.5 percent in 2013 and 3.25 percent in 2014."

While the economy is better equipped to withstand shocks than before, "growth in the next decade will need to rely on improving efficiency and productive investment — requiring maintenance of stable macroeconomic conditions, further strengthening of institutions, and implementation of structural reforms," Spilimbergo said.

Turning to financial indicators and fiscal and monetary policy, he said headline inflation would "remain above the [Central Bank's] target range of 4 to 5 percent in 2014,"

Calling Russia's current fiscal policy "appropriate," Spilimbergo said monetary policy should remain "geared towards achieving inflation objectives."

He also welcomed the government's privatization plans and said that improving the efficiency of publicly-owned companies was "essential."

"While economic diversification is necessary to lift potential growth and reduce vulnerability to shocks, the authorities should consider the costs and benefits of regional development initiatives, and adopt measures to enhance labor force participation and mobility," he said.

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