

Cabinet Approves Using Sovereign Fund for Stimulus

By [The Moscow Times](#)

July 25, 2013

The  **Moscow Times**

The Cabinet on Thursday approved measures to spur economic growth, largely by dipping into a fund that soaks up oil revenues, Economic Development Minister Alexei Ulyukayev said at a Cabinet meeting.

The economy grew just 1.7 percent in the year's first half.

Investment is in decline, as is export, Ulyukayev said. The only economic stimulus in place is the growth of personal incomes, he said.

The stimulus package backed Thursday envisages using the money in the National Welfare Fund, now worth \$86.5 billion, to invest in infrastructure projects and support bank lending programs for small businesses.

The plan follows President Vladimir Putin's announcement last month to plough 450 billion

rubles (\$14 billion) into two railroad projects and a ring road outside Moscow.

The measures call for the government to spend more money from the fund on a broader number of projects, despite objections from Finance Minister Anton Siluanov. He said the move could jeopardize pension payouts, for which the fund provides some of its money.

Ulyukayev said state development bank VEB could also tap the National Welfare Fund money to bolster its capacity to lend to small businesses.

Prime Minister Dmitry Medvedev said the package also promised state subsidies to certain companies, which he did not name, to help them adapt to the country's entry to the World Trade Organization.

Original url:

<https://www.themoscowtimes.com/2013/07/25/cabinet-approves-using-sovereign-fund-for-stimulus-a26162>