

Russian Inflation to Exceed 9% by Year's End, Economy Minister Says

By [The Moscow Times](#)

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A man holds ruble banknotes in front of an automated teller machine inside a branch of Sberbank in St. Petersburg, Nov. 5, 2014.

Russian inflation will exceed forecasts to reach 9 percent by the year's end and rise further in early 2015 because of the ruble's weakness, Economic Development Minister Alexei Ulyukayev said.

The ruble has weakened some 30 percent versus the dollar this year, as Western sanctions over the Ukraine crisis have made it harder for banks and companies to refinance foreign currency debts and as tumbling oil prices have hurt government revenue.

"Inflation for 2014 would be much higher than any forecasts, that's because it depends on [ruble] devaluation," Ulyukayev told radio station Ekho Moskvy on Monday.

Last week, the Central Bank increased its inflation forecast for this year to 8.2–8.4 percent

from 7.5 percent. For 2015, it saw inflation abating to 6.2-6.4 percent — still higher than previous 4.5-5.0 percent estimates.

"By the end of the first quarter [of 2015] inflation will stand by around 3.5 [percentage points] higher than we expected. And we expected it at 6 percent ... By the end of this year it will reach 9 percent," the minister said.

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