

Russian Economic Slump to Be Worse Than Expected – Poll

By [The Moscow Times](#)

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Russia's economy will contract by 4 percent this year, a Reuters poll predicted on Thursday, with economists once again revising down their forecasts as evidence mounts of a protracted slump.

Forecasts have grown steadily gloomier for several months, as signs of a global chill caused by China's slowdown add to problems for Russia caused by low oil prices and Western sanctions imposed because of the Ukraine conflict.

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"The latest data about the Russian economy doesn't allow us to talk seriously about the start

of a recovery," Bank St. Petersburg economist Olga Lapshina said.

A previous Reuters poll at the end of August had predicted a 3.7 percent contraction in 2015, which was in turn more pessimistic than July's poll forecast of a 3.5 percent drop.

Economists are also growing gloomier about inflation, which they now expect will end the year at 12.8 percent, higher than the 11.9 percent forecast in the previous poll.

They expect the Central Bank to hold its policy rate at its next meeting on Oct. 30, reflecting concerns about the high inflation, although a further half-point cut to 10.5 percent is anticipated by year-end.

Forecasts for the ruble also reflected the generally more bearish global outlook.

The poll predicted that the ruble would be worth 65.00 against the dollar in 12 months, compared with last month's 12-month forecast of 61.35.

The ruble was trading around 65.15 to the dollar on Thursday, having slumped from less than 50 rubles per dollar in May.

"Looking ahead, we expect the ruble weakness to continue," said Danske Bank economist Vladimir Miklashevsky, "driven by a weak oil price and emerging market turmoil on the back of the imminent rate hike by the Fed."

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