

# Russia's Central Bank Warns of Labor Shortage Following Mobilization

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Russian Central Bank Governor Elvira Nabiullina. [duma.gov.ru](http://duma.gov.ru)

The governor of Russia's Central Bank, Elvira Nabiullina, [warned](#) on Friday that the country was facing a growing labor shortage following the conscription of over 300,000 civilians during the Defense Ministry's recent mobilization campaign.

“The external environment for the Russian economy remains challenging and significantly constrains economic activity,” the Central Bank said, adding that Russia's unemployment rate was currently at the lowest level ever recorded.

According to the Central Bank, “the capacity to expand production in the Russian economy is largely limited by the labor market conditions.” The bank also said that wage growth in real terms could soon outpace productivity growth.

Annual inflation was expected to decline from its current rate of 12% to between 5–7% over the course of 2023, before returning to its pre-war level of 4% in 2024, Nabiullina said, adding that Russia's Central Bank had decided to keep its key interest rate at 7.5%.

Last month, Kremlin spokesperson Dmitry Peskov [denied](#) that another wave of mobilization was being considered, but stressed that he did not speak for the Defense Ministry, effectively leaving the possibility of a further call-up wide open.

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