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By Ira Iosebashvili , Of DOW JONES NEWSWIRES

MOSCOW--The International Monetary Fund may revise key Russian forecasts as the effect of the country's worst drought in decades hits economic numbers, the organization's senior representative in Moscow told Dow Jones on Friday.

"Our current forecast of end-2010 inflation is 6%, and this is likely to be revised upward," Brekk said.

Higher food prices stemming from the drought--which has withered at least a quarter of Russia's grain crop--will put upward pressure on inflation, although they may be allayed by the government's response, Odd Per Brekk, the IMF's senior representative in Moscow, said.

Russia's drought--sparked by weeks of record-high temperatures and dry skies--has already sent both domestic and global grain prices soaring. In a bid to stabilize domestic markets, the government declared a ban on all grain exports starting Aug. 15.

Data released by the Federal Statistics Service this week, however, showed that the rate of acceleration for Russian consumer prices has almost doubled, spurred by soaring prices for key items like flour and buckwheat.

Russia's government forecasts 6% to 7% inflation this year.

Estimates for Russia's economic growth this year may also be revised due to the drought and wildfires, Brekk said.

"The drought is a concern and could have a significant negative impact on output, thereby increasing risks to the still-fragile economy," Brekk said.

The IMF has not so far changed its 4.3% growth forecast for Russia's economy, it said.

Analysts have estimated that the drought, heat and fires will shave as much as 1%--or \$15 billion--off of Russia's gross domestic product this year.

-By Ira Iosebashvili, Dow Jones Newswires

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