

IMF: Russian Inflation a Concern, Economy May Be Running Above Capacity

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MOSCOW--The International Monetary Fund left its economic growth targets unchanged for Russia Friday, but recommended monetary tightening to deal with rising inflation.

"We remain concerned about inflation. The economy is running at or above capacity," Odd Per Brekk, the IMF's representative in Russia, said. "Credit is growing at 30% annually, which is high," Mr. Brekk said.

The central bank should act in the near term to raise borrowing costs, as the lender's monetary policy decisions take some time to filter through the economy, Mr. Brekk added.

The central bank left rates unchanged for the seventh straight month in July.

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