

## Soros Says Russia Will Go Broke In 2017

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According to George Soros, the world-famous billionaire investor, Russia is going to go bankrupt in 2017 when it is time to pay most of Russia's foreign debts. In order to avoid this worst-case scenario, Vladimir Putin wants the European Union to crash instead, which is why he has recently been doing his best to make it happen, the investor says.

The financier also says that Putin's popularity among the Russians is based mainly on the so-called "contract with the society", which implies that the president should be backing stable growth of living standards as well as financial stability.

However, due to sanctions and low oil prices the Russian government and President Putin are no longer capable of doing so. To date, the Russian budget deficit is somewhere around 7% of the national GDP. Yet, the authorities will have to cut it by 3% more in order to avoid letting the rate of inflation go out of control. Inflation growth may seriously affect people's lives as well as the Russian electorate in advance of the forthcoming parliamentary election in the Russian Federation, which is planned for the second part of the year.

With that being said, Mr. Soros assumes that a EU collapse may really help Vladimir Putin to hold on to his post of the Russian President and stay in power. More specifically, any EU disintegration may free Russia from most of those Western sanctions imposed on Russia by European nations. He also says that Russia will get some other benefits from such a scenario.

Russia's existing policy in Syria is nothing but Putin's desire to prepare Europe for disintegration and collapse, Mr. Soros is convinced. All of you know that the military campaign in Syria escalated the migration of Syria refugees to EU countries, which happens to be a serious problem from the European Union undermining its stability. This problem is really capable of doing away with the EU, which now has to fight against 5 or 6 crises at a time, the financier says. That is the major reason why Putin cannot be seen as the West's full-fledged ally in the war against the ISIS. Why some European leaders are seeing Russia as an ally, they are making a huge mistake, Mr. Soros warns. This leads us to believe that Russia and the EU are some kind of rivals competing for survival. The question is, who collapses first?

As for Russia's foreign debt, they say it is obliged to pay some 60 billion dollars in January – September 2017. The famous financier, who can boast a huge fortune of \$24,9 billion, has been actively criticizing Russia and the EU over the last few months.

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According to the recent oil report published by the International Energy Agency, the balance between oil supply and demand is going to start recovering only in 2017. It is interesting to note that this process is definitely going to bring oil prices higher from those ultra-low levels we can currently see.

Still they say, this is not going to be an instant process. The recovery will take some time to implement itself. The experts also underline the importance of taking into account those vast oil reserves collected worldwide by the world's major oil-exporting nations.

The IEA experts also assume that the average demand for crude oil is going to grow all the way up to 1.2 million barrels a day over the next 5 years. As usual, the demand growth is expected to be led by those Asian nations who are not OECD members. They are expected to raise their daily oil consumption from 23,7 million barrels a day all the way up to 28,9 million barrels a day.

In early February, the experts reported that the oversupply in the global oil market turned out to be much higher than expected. They oversupply is really huge, which is why it is very difficult to consider any price growth in the near-term future.

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