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Putin Orders Government to Keep Vodka Cheap as Russian Inflation Soars

By The Moscow Times

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Russian President Vladimir Putin has ordered his government to rein in rising vodka prices, as he battles to preserve his popularity amid a worsening economic crisis.

Putin told a meeting with government officials and regional governors on Wednesday that expensive vodka prices encourage the production of bootleg spirits, which carry greater risks to people's health than legally produced alcohol.

Russia is facing its worst economic crisis since 1998, when the country devalued the ruble and defaulted on its debt. Putin's popularity is partly based on his reputation for providing prosperity and stability.

"The overshoot of vodka prices leads only to increasing consumption of bootleg [spirits]," said Putin, who is known for promoting a healthy lifestyle. "I think the relevant structures

[government bodies] should think of that," he added.

According to a study by leading international universities last year, a quarter of all Russian men die before they reach their mid-fifties, and their love of alcohol — particularly vodka — is partly to blame.

The government-regulated minimum retail price of half a liter of vodka has been increased by around 30 percent since last year to 220 rubles ($4).

Russia has been tightening regulations for producers of vodka and beer, such as Russia's Synergy, Poland's CEDC and Danish brewer Carlsberg.

Russia's economy is expected to slide into recession in 2015 due to falling oil prices and Western sanction over the Ukraine crisis. Annual inflation, meanwhile, is expected to exceed 10 percent this year.

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