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Inflation in Russia-Annexed Crimea Hits 42.5 Percent in 2014

By The Moscow Times

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A man holds a Russian national flag while walking out of the cool waters of the Black Sea in the Crimean port of Yevpatoriya.

Inflation in Crimea, which was seized by Russia from Ukraine in March, reached 42.5 percent last year, according to data published by the Crimean State Statistics Service on Wednesday.

The total is almost four times higher than the rate at which consumer prices rose in Russia as a whole, where inflation spiked to 11.4 percent, its highest level since 2008.

The huge rise in inflation under Moscow rule compares to deflation of 0.5 percent in Crimea in 2013, according to the Crimean State Statistics Service.

Crimea has faced spiraling economic problems since it was taken over by Russian soldiers after the toppling of Ukrainian President Viktor Yanukovych. The annexation cut economic ties with Ukraine and ushered in energy supply, financial and transport problems for the

Black Sea peninsula.

Food price rises in Crimea were particularly acute in 2014, rising 52.9 percent over the course of the year. Food prices rose 15.9 percent in Russia as a whole over the same period.

The cost of services in Crimea climbed 27 percent through 2014, according to official data.

Inflation in Russia is expected to peak at 15 to 17 percent in March or April, Deputy Economic Development Minister Alexei Vedev said Wednesday, state news agency RIA Novosti reported.

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