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Ministry Predicts Food Prices in Russia to Rise 24 Percent by July

By The Moscow Times

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Maxim Zmeyev / Reuters

Food price rises will outpace average inflation in Russia and rise up to 23.8 percent in the first six months of this year, according to a forecast from the Economic Development Ministry, the RBC news website reported Thursday.

The prediction is one of a number of predictions worked out by the ministry and approved by the government Wednesday for use as the base case scenario for a revised 2015 budget.

Food inflation has spiraled in recent months in the face of a run on the ruble and a food import ban imposed by the Kremlin in response to Western sanctions on Moscow.

Inflation in Russia in 2014 was 11.4 percent, the highest since 2008, and prices rose 15 percent in January compared with the same month a year previously.

The Economic Development Ministry predicts that inflation by the end of 2015 will be at least

12 percent.

Inflation could peak above 15 percent in the second quarter before falling back by the end of the year, head of the Central Bank Elvira Nabiullina said in an interview with Bloomberg news agency published Monday.

Russia's Prosecutor General's Office conducted a series of checks on supermarkets last month and criticized numerous retail chains for unjustified price rises.

Price controls are currently being discussed by the government and officials have said that they could be imposed if the price of "socially significant" products increases by more than 30 percent.

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