

Russians to Spend More Than Half of Their Income on Food

By [The Moscow Times](#)

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Soaring inflation and a reduction in real wages could have Russians spend half of their income on food by the end of this year, a news report said Monday.

A survey of Russian retail prices by VTB Capital cited by business daily Vedomosti predicted spending on food could account for between 50-55 percent of household income by the end of 2015, up from 40 percent last year.

Inflation and a reduction in real wages, linked to the devaluation of the ruble, are to blame for the predicted hike in food expenditure, the report said.

The ruble has been hit hard by a global drop in the price of oil and Western sanctions against Moscow for its involvement in Ukraine.

Inflation on food products hit a high of up to 22 percent in February, but this figure is expected to stabilize in the second quarter and will hover around 9.6 percent by the end

of 2015, Vedomosti cited the VTB analysts as saying.

Food price inflation has been compounded by a drop in the value of Russians' real wages, which are expected to decrease 6.8 percent year-on-year by the end of 2015, the report added.

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