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INDEPENDENT NEWS FROM RUSSIA

Russian Inflation Falls for First Time Since Last Summer

By The Moscow Times

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Inflation has been driven by the ruble's devaluation of around 30 percent to the U.S. dollar since the start of last year.

Russia's year-on-year inflation fell slightly last week, reversing months of sharp rises driven by the ruble's steep devaluation and a ban on some Western food imports, news agency Interfax reported Wednesday.

Prices rose 0.1 percent between April 7 and April 13, state statistics agency Rosstat said Wednesday, bringing year-on-year inflation down 0.1 percentage point to 16.8 percent, according to Interfax.

While this dip is the first since July of last year, Interfax said, the current level of inflation is still the highest seen in Russia since 2002.

Prices for produce, which have seen inflation of up to 30 percent for some products since

the start of last year, fell by 0.3 percent. The price of fresh cucumbers fell by 2.4 percent, apples by 0.7 percent and potatoes by 0.2 percent.

Russia's Economic Development Ministry has estimated that inflation will peak at 17 to 17.5 percent in mid-2015 and subside to 12 to 12.4 percent by the end of the year.

Inflation has been driven by the ruble's devaluation of around 30 percent to the U.S. dollar since the start of last year as oil prices weakened and Western sanctions over the Ukraine crisis throttled investment. Russia's ban last August on some food imports from countries with sanctions against Moscow has also boosted inflation.

Price rises are a particularly potent political issue in Russia, where many saw their life savings evaporate during the breakneck inflation of the late 1990s. A survey by the independent Levada Center in March found that 82 percent of respondents listed steep price rises as the most pressing issue facing Russia today.

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