

Russians Slash Spending on Clothes and Shoes

By [The Moscow Times](#)

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The volume of shoes and clothing sold in Russia nearly halved in the first quarter of this year compared with 2014 as Russian consumers pulled their purse strings tight, a report said Tuesday.

The volume of clothing and shoes sold fell 42 percent in the first quarter compared to the same period last year, the Vedomosti newspaper reported, citing data from fashion industry consultancy Y-Consulting.

In monetary terms sales fell 19 percent to 523 trillion rubles (\$50.6 billion), and there is no reason to hope they will improve soon, the report said.

“There is nothing that could improve consumer sentiment,” Y-Consulting CEO Darya

Yadernaya told Vedomosti.

Retail sales in Russia have been hit particularly hard by the ruble's 40 percent slide against the U.S. dollar last year, which pushed up the cost of imported products even as inflation hit Russians' spending power. Retail sales fell 8.7 percent in the first quarter compared to the same period in 2014, according to research firm Capital Economics.

Mid-range brands have experienced the most severe drop, with many losing up to 60 percent of their sales, Yadernaya said.

These retailers bought their latest collections when the ruble was at its lowest against the dollar and euro, and given their slim margins, they are unable to significantly lower prices, she said.

The crisis has hit international and domestic retailers alike: Germany's Adidas, the biggest vendor of sports goods in Russia, saw revenues drop 34 percent to 162 million euros (\$182 million) in the first quarter of 2015 while gross profit fell 44 percent to 83 million euros (\$93 million), the report said.

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