

Russians' Wages Fall at Fastest Pace Since 1999

By [The Moscow Times](#)

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A slump in Russian consumer spending deepened in April as real wages fell at their fastest pace in 16 years, data published Friday by state statistics service Rosstat showed.

With Russia's economy contracting and price inflation running at more than 16 percent, Rosstat said Russians' real wages fell by 13.2 percent in April compared to the same month in 2014 — far exceeding the 8.3 percent decline in the first quarter of this year. This was the biggest monthly drop since 1999, which was the year immediately following a full-blown and traumatic financial collapse.

Average real incomes, which measure not only wages but other private income and state payouts such as pensions, were 4 percent lower in April than a year earlier, according to Rosstat.

With earnings sliding, Russian retail sales — one of the key drivers of the economy — fell by 9.8 percent year-on-year in April after falling 6.7 percent in the first quarter.

Russia's economy contracted by 1.9 percent in the first quarter, according to official figures, as a plunge in oil prices and Western sanctions on Moscow over the Ukraine crisis drove down the value of the ruble and squeezed investment.

Recent surveys have found that more than half of Russians are reducing their spending on food and other basic consumer items, while almost 20 percent have no disposable income left after spending on necessities such as food and housing.

The World Bank in April warned that 5 million more Russians could fall below the poverty line this year.

The average Russian earned 32,805 rubles per month (\$650) in April, according to Rosstat.

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