

Clothes and Shoe Stores Close Across Moscow as Crisis Strikes

By [The Moscow Times](#)

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About 7 percent of all clothes and shoe shops in Moscow have shut down this year as Russia's economic crisis decimates retail sales, a news report said.

"In big Russian cities, and most notably in Moscow, the number of shops has fallen by at least 5-7 percent [this year]," Igor Ulyanov, director of the Russian textile association, Soyuzlegprom, told Moskva, the city's official news agency.

A toxic combination of steep price inflation driven by the devaluation of the ruble currency and an unfolding economic recession has sent Russian retail sales plummeting this year — and retailers are paying the price.

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to the same period in 2014, Ulyanov said. The volume of shoes and clothing sold fell 42 percent, he added.

"The result is that clothes and shoe sellers are cutting costs by closing stores and lowering wages," Ulyanov told the agency.

Adding to retailers' woes, the ruble's fall of some 40 percent against the U.S. dollar in 2014 severely inflated dollar-denominated rental rates in relation to ruble-denominated revenues.

"Due to very high rental rates, we have been forced to close shops. However, we are not closing altogether," a spokesman for major Russian shoe retailer City Obuv told the news agency.

Russia's economy is expected to contract by around 3 percent this year as low oil prices and Western sanctions over the Ukraine crisis strangle investment.

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