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INDEPENDENT NEWS FROM RUSSIA

As Alcohol Prices Soar, Russians Turn to Imitation Whiskeys and Rums

By The Moscow Times

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With the Russian currency down about 40 percent to the U.S. dollar year-on-year, prices of imported spirits rose 20 to 25 percent in June.

The popularity of cheap whiskey and rum substitutes is soaring in Russia after last year's sharp devaluation of the ruble currency led to a steep rise in the price of imported alcohol, news agency RBC reported Friday.

Domestically produced analogues to imported whiskey and rum are cheaper than the original by at least a third, according to data provided by Diageo, the world's leading producer of hard alcohol, RBC reported.

Diageo's rum-based spirit Shark Tooth, only launched in 2013, is the third best-selling rum drink in Russia this year after Bacardi and Captain Morgan, Diageo told the newspaper, citing data from market research company Nielsen.

Diageo's whiskey-based drink Rowson's Reserve, launched in August last year, has become Russia's second most popular Irish whiskey after Jameson, the report said.

With the Russian currency down about 40 percent to the U.S. dollar year-on-year, prices of imported spirits rose 20 to 25 percent in June compared to the same period of 2014, RBC reported, citing data from Vadim Drobiz, director of the Research Center for Federal and Regional Alcohol Markets.

The soaring price of imported whiskey and rum immediately hit sales, driving imports of the spirits down 35 to 40 percent in the first five months of this year compared to the same period in 2014, Drobiz told the newspaper.

The growth in imitation spirits has also been driven by Russia's largest vodka producer, Sinergia. In June, the company launched a gin-based drink called Captain Gin and another new spirit called Captain Rum — which, despite its name, doesn't contain any rum at all.

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