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Russians Rush to Buy Electronics on Credit Amid Ruble Plunge

By The Moscow Times

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More Russians are taking out loans to buy home appliances and electronics as the ruble drops to historic lows against the dollar, the Kommersant newspaper reported Friday, citing banking sector specialists.

In January, Home Credit Bank issued retail loans worth 7 billion rubles ($88 million) and Renaissance Credit Bank issued loans worth 3 billion rubles ($38 million), Kommersant reported.

January is usually the least popular month for retail loans.

However, the number of loans given this month matched November amounts, traditionally the most popular month for taking retail loans, the newspaper reported.

The majority of those taking out loans used them to purchase home appliances and electronics, according to the newspaper. Increased demand for these items has also been

noted by retailers.

Industry experts polled by the newspaper link the growing demand for loans for the purchase of refrigerators and televisions to the weakening of the Russian currency, which led to increased prices of imported electronics.

Many retailers have already increased their prices by 30-40 percent amid the weakening of the ruble. As a result, many Russians expect further price hikes and decide to purchase goods in advance, said Yevgeny Lapin, senior vice president for development and marketing at Renaissance Credit.

A similar trend was registered in January last year. However, now many Russians cannot afford to purchase electronics themselves and are forced to take loans.

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