

Russian Consumer Confidence Falls to Historic Lows

By [The Moscow Times](#)

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Consumer confidence in Russia fell to 63 points in the first quarter of this year on Nielsen's Consumer Confidence Index, the lowest level since records began in 2005, the Kommersant newspaper reported Friday.

In the same period last year, the index stood at 72 points, the newspaper reported.

According to Nielsen, a record low number of people now have any extra money after covering basic needs and bills.

At the same time, the share of Russians forced to slash their spending rose to 76 percent in the first quarter of the year.

Fifty-nine percent of Russian citizens now have to abstain from entertainment expenses and 61 percent put off the purchase of new clothes. Fifty-two percent of Russians switched to cheaper food products, according to data from Nielsen.

As Russia continues to experience economic recession, the real wages of Russians shrank 9.5 percent in 2015. This year, the trend continued with 3.9 percent in real wages year-on-year in the first quarter of 2016, according to the Rosstat state statistics service.

“The continuing decline in real incomes means that Russians' consumer activity will remain low in the near future,” Dilyara Ibragimova, an associate professor at the Higher School of Economics' sociology department, told the newspaper.

Deputy Prime Minister Olga Golodets said Friday that Russia has been hit by a consumer crisis. Fifty-one percent of purchased items in February were food products while the consumption of certain types of light industry has fallen by 20 percent, according to Golodets.

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