

Kremlin Pegs Russian Living Costs 5% Under Inflation Rate

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The Kremlin has increased Russia's recognized cost of living by 1.8 percent, despite inflation averaging 7 percent last month.

Russian Prime Minister Dmitry Medvedev raised the country's cost of living index by 180 rubles (\$2.80) to reach 9,956 rubles (\$155) a month.

The document, published on the government's website, also sets the monthly cost of living for a working people at 10,722 rubles (\$168), for pensioners at 8,163 rubles (\$128) and children at 9,861 rubles (\$154).

The changes lag far behind Russia's current rate of inflation, which has stood between six and nine percent for most of 2016. The average rate of inflation in 2015 was 15.6 percent.

The cost of living index is used to calculate living standards of the population as well as calculating the federal budget, developing social policy and setting the minimum wage, which

varies considerably from region to region.

Moscow's minimum wage is 17,300 rubles (\$270) a month, compared to 7,500 rubles (\$117) in many Russian regions.

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