

Russian Central Bank Warns Against 'Extreme Consumption'

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A chain is seen wrapped around a road sign for parking, with the coat of arms of the Central Bank seen on it, near the headquarters of the bank in central Moscow. **Reuters**

The head of Russia's Central Bank has warned Russian consumers against "excessive consumption," the Slon news website reported Wednesday.

Elvira Nabiullina told participants at the "Russia Calling" conference that consumption needed to rise at a rate that would not cause inflation or create bubbles in the market.

"There must be a very correct balance between consumption and savings," Nabiullina said. "Consumption will be gradually restored, which is something that we are already seeing signs of."

Nabiullina also said that inflation would remain high in the near future, but that to attract investors price increases needed to stay below four percent. Inflation levels of 6-7 percent, which were "more or less normal" ten years ago due to Russia's rapid growth and the high

price of oil, were no longer acceptable, she said.

Real incomes in Russia have dropped 5.8 percent from January to August this year.

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<https://www.themoscowtimes.com/2016/10/12/central-bank-head-warns-of-extreme-consumption-a55701>