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Russian Shoe Sales Plummet Amid Economic Crisis

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Russian annual shoes purchases have dropped to 2.5 pairs per person due to the current economic crisis, the Rossiyskaya Gazeta newspaper has reported.

Researchers at the Fashion Consulting Group (FCG) suggest Russians are holding off on purchasing new shoes until their old ones are completely worn out.

The cost of shoes in the lower end of the market increased by 15-20 percent over the past two years, while the cost of high-end shoes grew by 100 percent, researchers found.

There are two factors contributing to the shift in consumer behavior: rising prices and a radical drop in real income. As the Russian economy stagnates, the real income of the population is decreasing for the third consecutive year. The situation has severely affected the shoe market.

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The weakening ruble is also to blame. A small fraction of Russia's shoe market is controlled by domestic producers that are heavily dependent on imports. As Russia's currency is weakening due to the dropping oil prices and economic sanctions, imported goods are becoming more expensive.

However, soaring prices have incentivized Russian producers to expand. If the overall economic situation in Russia improves, FCG's experts expect a 5-10 percent increase in domestic shoe sales by the end of 2017.

The radical drop in shoe purchases is striking when compared to the United States. Americans bought approximately 7.8 shoes per capita in 2015, according to the American Apparel and Footwear Association.

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