

Russian Prices Rising Fastest in 24 Years on Ruble Collapse

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Prices in Russia rose at their fastest rate in more than two decades during the first week of the country's invasion of Ukraine, official data published Wednesday showed.

Weekly inflation came in at 2.2% between Feb. 26 and Mar. 4, according to data published by Russia's Economy Ministry — the largest increase in prices over a seven-day period since 1998.

Retailers have hiked prices in response to the ruble's fall in value. The Russian currency has lost more than half its value since President Vladimir Putin launched the invasion of Ukraine on Feb. 24.

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On an annual basis, inflation jumped to 9.2% in February, up from 8.7% a month earlier.

Economists expect the pace of annual price rises will surpass 20% by the end of March.

Imported goods such as cars, household appliances, televisions and smartphones have seen the largest price increases since the war started. Prices for new cars jumped by more than 15% in a week on average.

Fears have also been raised over Russia's reliance on imports for its crucial agricultural industry and even for basic household goods — 90% of potato seeds used in Russia are bought from overseas, for instance.

Russia's Central Bank has hiked interest rates to 20% in a bid to stabilize price rises, but analysts say further measures may be required as the economy braces for its worst downturn since the end of the Soviet Union.

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