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INDEPENDENT NEWS FROM RUSSIA

Russian Disposable Income Drops, Inflation Highest Since 1999

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Customers visit a home improvement store at the Aviapark shopping center in Moscow. **Sergei Savostyanov/TASS**

Russia's war in Ukraine and double-digit inflation drove down real disposable incomes in early 2022, the Rosstat statistics agency reported Wednesday.

Real disposable income, a closely tracked indicator of Russian households' financial wellbeing, calculates the amount residents have left to spend or save after payments.

According to Rosstat, Russian households spent 17.1 trillion rubles ($231 billion) while only earning 15.82 trillion rubles ($213 billion) in January-March this year.

The 1.3 trillion ruble difference — an average of 14 billion rubles ($188 million) a day — amounts to a 1.2% drop in annual terms.

The main factor weighing on Russians' savings was annual consumer inflation jumping by 9.2% in February and 16.7% in March, a rate not seen since 1999, according to the

independent business news website The Bell.

Russians' real disposable income last fell in the first quarter of pandemic-hit 2021, according to the RBC news website.

Rosstat's figures came out the day Russia's Audit Chamber chief Alexei Kudrin forecast 20% inflation and an economic decline of up to 12% this year.

"This crisis is bigger than the crisis of 2009, bigger than the pandemic crisis.," Kudrin told lawmakers.

"We will be living in a very difficult situation for almost a year and a half or two years."

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