The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russian Inflation Dips Below 4% for First Time Since Invasion of Ukraine

By AFP

April 12, 2023



Kirill Kukhmar / TASS

Inflation in Russia dropped below 4% in March for the first time since Moscow's invasion of Ukraine led Western governments to impose wide-ranging sanctions on the country, state statistics agency Rosstat announced on Wednesday.

Inflation in March stood at 3.51% year-on-year, down sharply from 10.99% in February.

The sharp decrease does not however reflect a real drop in prices in Russia after inflation in March last year skyrocketed following the sanctions.

Inflation in March 2022 was significantly higher than in February last year, so the year-on-year comparison shows a sharp decline.

Prices soared in the second quarter of 2022 in the weeks that followed the start of the full-scale Russian invasion of Ukraine.

In April 2022, inflation jumped to a two-decade high of 17.8%.

Russian Central Bank head Elvira Nabiulina predicted in mid-February that inflation in Russia should be "between 5 and 7%" by the end of the year.

But despite the drop in inflation, the Central Bank is unlikely to change its key rate of 7.%, according to Dmitry Polevoy, director of investments at Locko Invest in Moscow.

Original url:
https://www.themoscowtimes.com/2023/04/12/russian-inflation-dips-below-4-for-first-time-since-invasion-of-ukraine-a80810