

Russian Inflation Rises Once Again in May

By [AFP](#)

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Supermarket visitors select potatoes in the city of Rostov-on-Don. **Erik Romanenko / TASS**

The pace of inflation in Russia accelerated yet again in May as officials warn huge public spending to support the military offensive on Ukraine is overheating the economy.

Increases in government expenditure have supported Russia's economy in the face of a barrage of Western sanctions but also triggered surging prices and labor shortages in many sectors not connected to the campaign.

Inflation was running at 8.3% on an annual basis in May, Russia's statistics agency Rosstat said on Friday — the highest rate since February 2023.

That was up from 7.8% at the end of April and far ahead of the country's official 4.0% inflation target.

Fast price rises have put pressure on Russia's Central Bank to further raise interest rates to bring inflation under control.

Last week it held its key interest rate at 16% but signaled it could hike borrowing costs in the future if the pace of price rises does not slow down.

German Gref, the CEO of state-run Sberbank, warned last week that Russia's growth was "fragile" as it relied on government spending to keep pushing wages and consumer spending up, and not on investment or gains in productivity.

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