

Unemployment Down in June While Spending, Output Rise

By [The Moscow Times](#)

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Unemployment fell to the lowest level in almost three years in June and retail sales grew for an 18th month, helping bolster an economic expansion in the world's biggest energy exporter.

The jobless rate dropped to 6.1 percent in June, the lowest since August 2008, from 6.4 percent a month earlier, the State Statistics Service said Tuesday by e-mail.

Accelerating job growth is helping sustain household spending, benefiting retailers such as X5 Retail Group and Magnit. Slower inflation, led by an easing in food prices, is boosting incomes and supporting consumer confidence.

"The economy has finally come to the phase of the cycle where it is more self-driven," Aurelija Augulyte, an emerging market analyst at Nordea Bank in Copenhagen, wrote in an e-mail. "Consumers will remain supported going forward by better labor market conditions."

Real disposable incomes unexpectedly grew in June for the first time since February, rising 0.7 percent, and real wages advanced 4.2 percent. Retail sales rose 5.6 percent from a year ago and 1.2 percent from May.

"Consumer demand will remain strong," Ivan Tchakarov, chief economist at Renaissance Capital, said in a research report before the release. Growing retail trade is "pointing to stable consumer demand."

Corporate investment grew for a third straight month in June, rising 4.7 percent, down from a 7.4 percent increase in May, the report showed.

Industrial output accelerated in June for the first time in five months, led by manufacturing, after domestic demand strengthened, according to a report published July 15.

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