

Retail Sales Disappoint Expectations

By [The Moscow Times](#)

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Russian retail sales slowed in October after the unemployment rate rose for the first time in three months and a weaker ruble eroded purchasing power.

Retail sales gained 8.8 percent from a year earlier after a 9.2 percent rise in September, the State Statistics Service said in an e-mailed statement Friday. Real wages advanced 5 percent from a revised 5.3 percent growth, and disposable incomes increased 0.4 percent. The jobless rate jumped to 6.4 percent last month from 6 percent in September.

The world's largest energy exporter is counting on domestic consumption to balance shrinking demand abroad as Europe, its biggest trading partner, fights to contain a debt crisis. The ruble fell 13 percent against the dollar in the July-September period in its worst quarterly depreciation since 2009. Household-lending growth slowed to 2.2 percent from a month earlier in October, compared with a 3.6 percent advance in September, according to the Central Bank.

"Purchasing power is shrinking as ruble depreciation hurts people's ability to buy," Maria

Pomelnikova, an analyst at Raiffeisenbank in Moscow, said late last week. "Usually the currency effect appears after two or three months. We probably saw its impact on consumer behavior already in October, even though inflation remains low."

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