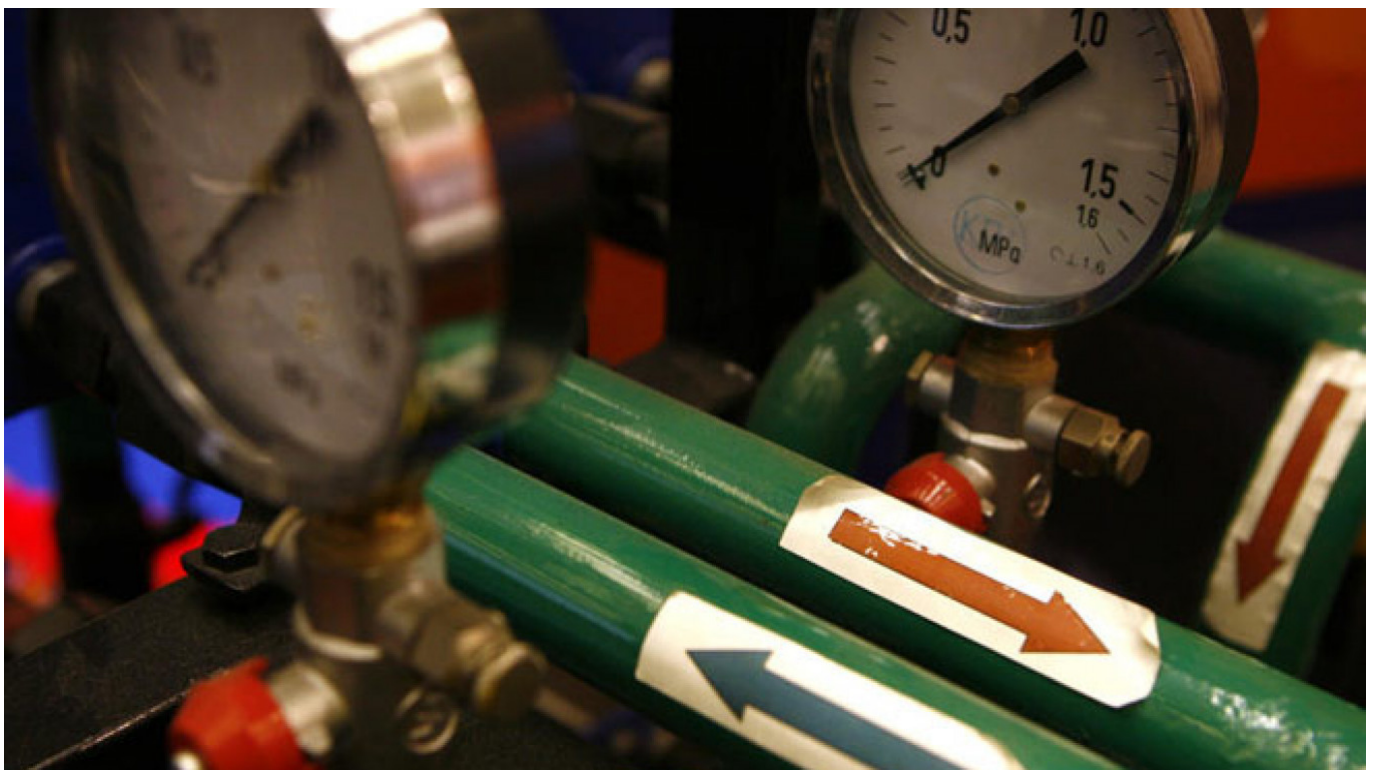


Moscow's Poorest to Be Hit as Inflation Forces Jump in Utility Prices

By [The Moscow Times](#)

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Rising utility prices will weigh heavy on the many Russians who are slipping closer to poverty this year.

Utility prices in Moscow flew up by an average of 10 percent on Wednesday as a result of high inflation, news reports said, adding to the troubles of the many Muscovites who are already struggling under rising prices and falling real wages.

The cost of heating is set to rise by 13 percent, water by 5.9 percent, hot water by 11.5 percent, electricity by 7.5-13.7 percent and gas by 7.5 percent, news agency Interfax reported. Muscovites will also be expected to pay for general building repairs, typically a service performed by the city government.

Maxim Reshetnikov, head of the city's economic development department, earlier told news agency RBC that the hike was tied to Russia's high inflation rate. Prices in Russia rose 16.2 percent in January-May compared to the same period last year, according to data from state statistics agency Rosstat.

"We could, of course, have lowered the tariffs in order to look better in the eyes of the population, as a number of other regions have. But the Moscow government didn't go for that, as they realized that delaying the decision would cause a jump in rates later," Reshetnikov told RBC.

Rising utility prices will weigh heavy on the many Russians who are slipping closer to poverty this year amid high inflation and an unfolding recession. Nearly 2 million Russians will fall below the official poverty line of 9,662 rubles (\$173) per month this year, according to official estimates.

Unofficial estimates, meanwhile, put Russia's economic crisis in starker terms. According to Alexei Zubets of Moscow's Financial University, around 50 to 55 percent of the population can now only afford food and basic necessities, such as utilities.

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