

Russia Sees Sharp Drop in Spending as National Coronavirus Lockdown Continues

Bank data shows spending is down by as much as a third in big demand hit to Russian economy.

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Spending has dropped sharply as Russians stay home as part of national efforts to stem the coronavirus pandemic. **Yegor Aleyev / TASS**

Russians have cut back their spending by as much as [one-third](#) as the country remains in a month-long national shutdown which has seen half the economy switch off and major cities including Moscow go into mandatory quarantine.

Early data from Russian banks on their customers' spending habits in the first week of the national non-working period, which ran from March 28 to April 5, shows VTB clients spent a third less, while Sberbank card transactions dropped by 23% compared with the same period last year.

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Spending was almost completely wiped out in some categories, Sberbank found, including on jewelry and clothes, and in travel agencies, airlines and beauty salons, which registered falls of more than 90% from their normal levels.

Russia's emergency non-working period is scheduled to run until the end of April, although the government has encouraged companies to switch to remote working if possible, and estimates show more than 50% of the economy is still operating.

Meanwhile, around half of all [businesses](#) have cut back working hours for staff, one-third have sent staff home on unpaid leave and one in six have already started layoffs, a survey by the Centre for Strategic Research, conducted at the end of March and published Tuesday found.

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