

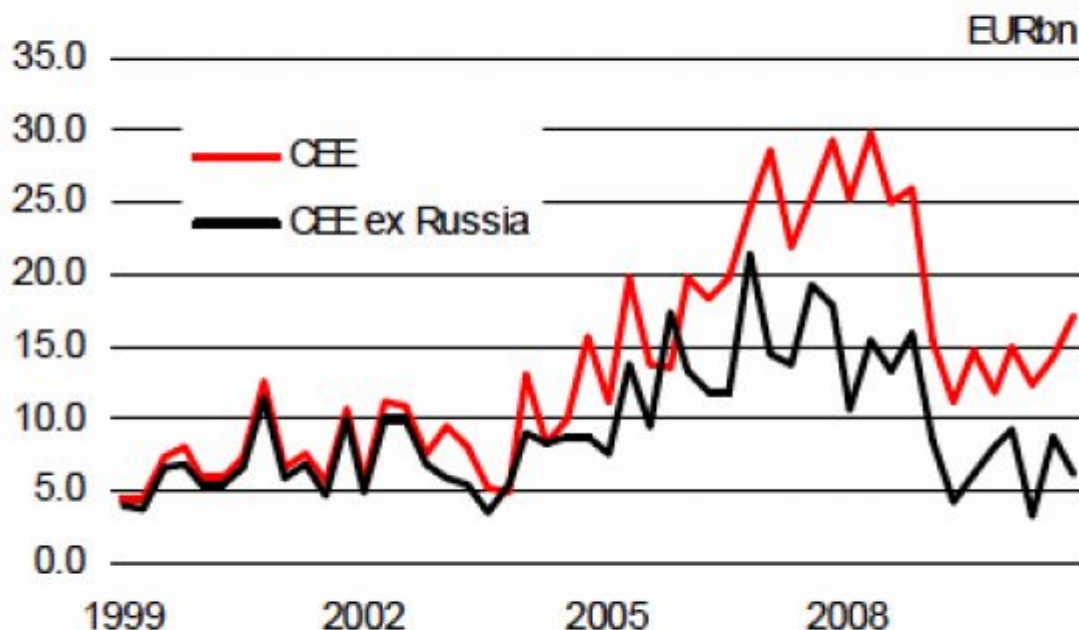
Russia Leads CEE in FDI

By [The Moscow Times](#)

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The  **Moscow Times**

Inward FDI to the region shows little signs of recovery except for Russia



Source: BIS, national central banks, UniCredit Research

Commentators have been rubbishing Russia's foreign direct investment inflows and pouring scorn on President Dmitry Medvedev's efforts to attract investment, but according to UniCredit's quarterly report for Central and Eastern Europe, Russia is doing better than anyone else in New Europe at attracting foreign direct investment.

Russia had a good first quarter with foreign investments almost reaching the pre-crisis level. State Statistics Service data published in May (the latest available) show total foreign investment reaching \$44.3 billion in the first quarter, up 237 percent year on year. FDI was \$3.89 billion, up 48 percent year on year, while portfolio investment reached \$122 million, down 58 percent year on year.

Looking across Central and Eastern Europe, the total inflow of capital was up from 16.6 billion euros in 2009 to 72.3 billion in 2010. However, more than half of these inflows (48.2 billion euros) was portfolio investment, with Poland accounting for half by itself (20.2 billion euros) and Turkey another quarter (12.4 billion euros).

By comparison the inflow of FDI remains anemic, but Russia still stands out as the most popular destination for FDI, accounting for almost a quarter of the total FDI into the CEE region: having peaked at 76.3 billion euros in 2007, FDI flows in CEE last year reached 16.5 billion euros, of which about \$9 billion was "real" FDI into Russia (fresh investment, not counting reinvested profits by foreign companies already working in Russia).

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