

Russia is Worst Place for Foreign Investment, Poll Says

By The Moscow Times

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Russia has been cited as worst place to invest among the biggest world economies in light of the conflict in Ukraine, according to foreign investors polled by Bloomberg in their quarterly Global Market Investor's Poll.

Nearly 56 percent of respondents said that Russia was a poor place to invest. This is the second worse result for a negative attitude to a particular market in the whole history of the poll, which has been held since 2009 and relies on the attitudes of worlds's financial elite — traders, bank officials and asset managers.

About 45 percent of the respondents think that now it is the best time to sell Russian assets due to tensions with Ukraine and the financial sanctions EU and the U.S. have imposed on Russia. Moreover, 75 percent expressed pessimism about the way President Vladimir

Putin's policies will affect the investment climate.

The outlook of the investors regarding the global economy seems to have changed for the better though. Forty percent said it is seeing a slight improvement, 43 percent think the situation is stable, and only 12 percent said the global economy is deteriorating.

The most attractive market for investments is the U.S., with 44 percent of respondents reporting it as a favorable market due to improvements in the country's economic situation. The International Monitory Fund in April predicted that the country's GDP will grow by 2.8 percent in 2014 compared to a 1.9 growth last year.

The European Union got second place in the survey with 32 percent of respondents listing it as an attractive place to invest. Investors are afraid of deflation risks in the region but are encouraged by the low price of the assets.

Bloomberg Global Market Investor's Poll was conducted among 546 Bloomberg subscribers in April this year and has a margin of error 4.0 percentage points.

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