

Association of European Businesses Says Optimism in Russian Economy Fading

By [The Moscow Times](#)

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Russia's business ombudsman, Boris Titov (left), and Frank Schauff, CEO of the Association of European Businesses, at a meeting in 2012.

The Association of European Businesses, or AEB, said Tuesday that European companies feel less optimistic about doing business in Russia due to the slowdown of economic growth in the country and the unrest in Ukraine.

The integrated AEB-GfK Index this year dropped to 115 points out of 200, a 29 point decrease on 2013, the AEB said in a statement.

The shift signals a sharp decline in the optimism of top level managers in their Russian operations "regarding both the macroeconomic development of the country and the growth of their own business," the statement said.

As a result, European companies that run businesses in Russia can be expected to invest significantly less in the country, the AEB said.

The findings were based on a recent survey titled "Strategies and Prospects for European Companies in Russia," which was conducted by the AEB in cooperation with GfK Rus — a market and consumer research firm.

Nearly half of the top managers who took part in the survey said that the crisis in Ukraine has had a negative impact on their operations in Russia.

AEB members companies have also become increasingly pessimistic about the prospects for foreign investment in Russia over the next 2–3 years. In 2012, 70 percent said they thought investments would grow steadily in the short-term, but the figure dropped to 59 percent last year and 31 percent this year, the statement said.

The survey's findings were not all doom and gloom, however, as 69 percent of respondents said that they expect the economy to grow in 6–10 years, which is 11 percent more than last year.

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