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INDEPENDENT NEWS FROM RUSSIA

Number of Western Foreigners in Russia Drops by Half a Million

By Peter Spinella

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The total number of Western foreigners in Russia, including tourists, reportedly dropped in January by about half a million year-on-year amid deepening political tensions and a deteriorating domestic economy.

There were 1.23 million Westerners in the country last month, down from 1.73 million in the same month last year, news agency RBC reported Wednesday, citing the Federal Migration Service.

The report classified "Western" foreigners as those from Europe (excluding former Soviet states, except for the Baltics) as well as North America, Australia and New Zealand.

The sharpest declines were among German, U.S. and British citizens: minus 108,400, 79,300 and 68,600, respectively. Most of those left in the second half of 2014 — up to three times as many as left in the first six months, according to the report.

Relations between Russia and the West sank to new post-Cold War lows last year following Russia's annexation of Ukraine's Crimean Peninsula in March, which prompted U.S. and EU sanctions against Russia and a retaliatory ban by Moscow on many Western food imports.

The number of non-Western migrant workers is also down, by a whopping 70 percent year-on-year due to stricter foreign labor laws and economic decline, the head of the Federal Migration Service, Konstantin Romodanovsky, told state television channel Rossia-24 in January.

Although separate figures for the number of Westerners living in Russia — as opposed to tourists and other visitors — was unavailable, one area seeing a decline in expat demand is upmarket real estate rentals.

Maxim Mokeyev, executive director of real estate agency Evans Property Services, told The Moscow Times that there were about 20 percent fewer requests for Moscow home rentals for expats in the last quarter of 2014.

He predicted that "the decline in higher-end rentals will continue as companies try to minimize their costs and replace costlier foreign workers with local labor."

Luc Jones, a British-Canadian partner at recruitment firm Antal Russia, echoed that prediction.

"The main reason that expats are leaving is that if they are paid in dollars, euros, pounds, etc., then they have suddenly become doubly expensive," he said.

"Corp-pats," as Jones refers to foreigners who come over on a corporate contract, "will stay if their particular business is doing OK, but many will find themselves sent home or to another market."

Jones noted that there have been fewer job opportunities for expats in recent years as the market localizes. But the demand for English teachers "hasn't dropped and is unlikely to."

A Canadian businessman who spoke on condition of anonymity to protect his business interests in Moscow said the costs of operating in Russia now "grossly" outweigh the benefits.

He said he was considering leaving as economic problems go from "avoidable" to "inevitable."

But Jones said he's staying put. "I've invested the past 13 years of my life and devoted much of my career to Russia so it would be a waste to throw it all away now."

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