

Russian Company Profits Turn Negative for First Time Since 2009 Crisis

By [The Moscow Times](#)

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Russian companies lost 152.5 billion rubles (\$2.7 billion) in January, official data showed, in a sign that the country's economic slump is worsening.

Federal statistics agency Rosstat crunched the financial results of Russian enterprises for January and found 33,800 profitable organizations with combined earnings of 1.6 trillion rubles and 19,100 loss-making entities with joint losses of nearly 1.9 trillion rubles.

The data, which was released Thursday, excludes small businesses, banks, insurance companies and state-funded organizations.

In January of last year Russian companies made a combined profit of 352 billion rubles (\$6.1 billion). This January's loss is the first monthly failure to turn a profit since the financial crisis year of 2009, according to news agency Interfax.

Russian economic growth has stalled under the weight of Western sanctions on Moscow and a sharp fall in the price of Russian export oil, and the disappearance of company profits threatens to shrink government tax revenue and increase defaults on bank loans.

Economic Development Minister Alexei Ulyukayev said this week the Russian economy likely shrank 1.5 percent in January and February. Analysts expect a contraction of up to 5 percent this year.

But the slump is not hitting every industry equally. Oil and gas companies made combined profits of 435 billion rubles (\$7.5 billion) in January while manufacturers lost just over 500 billion rubles (\$8.7 billion), the Rosstat data show. Agricultural firms, utilities, construction companies and retailers all stayed profitable. The fishing industry, railway operators, real estate and services companies recorded losses.

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