

Quarter of Russians' Wealth to Stay Offshore Despite Putin's Pleas

By [The Moscow Times](#)

June 17, 2015



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Almost a quarter of Russians' private wealth is held offshore and will stay there over the coming years despite President Vladimir Putin's drive to repatriate Russian capital, a recent report found.

The volume of private Russian wealth held offshore surged last year as the economy veered toward recession, rising from \$300 billion in 2013 to \$500 billion in 2014, global consulting firm Boston Consulting Group (BCG) said in its report "Global Wealth 2015: Winning the Growth Game."

In percentage terms, offshore private capital rose from 19 percent of Russians' wealth in 2013 to 24 percent in 2014. Russians' total private wealth climbed a striking 24.7 percent to \$2 trillion over that period, accounting for 71 percent of the private capital in eastern Europe, the

report said.

President Vladimir Putin has taken aim at offshore holdings this year, with the government sponsoring legislation requiring companies to declare shares in offshore companies and a capital amnesty encouraging businesses and individuals to declare their foreign assets.

However, BCG does not expect Russians to move their money back into the country. The consultants forecast that 22 percent of private Russian wealth — or a projected \$800 billion — will be held offshore in 2019.

Political and economic instability in Russia, international tensions over the Ukraine crisis and a long history of Russians holding their money in foreign accounts will all serve to keep a substantial share of private capital out of the country, news agency RBC reported, citing BCG analysts.

BCG expects the total volume of private Russian capital to increase by an average of 11.8 percent per year over the next four years, reaching \$3.5 trillion in 2019, the report said.

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