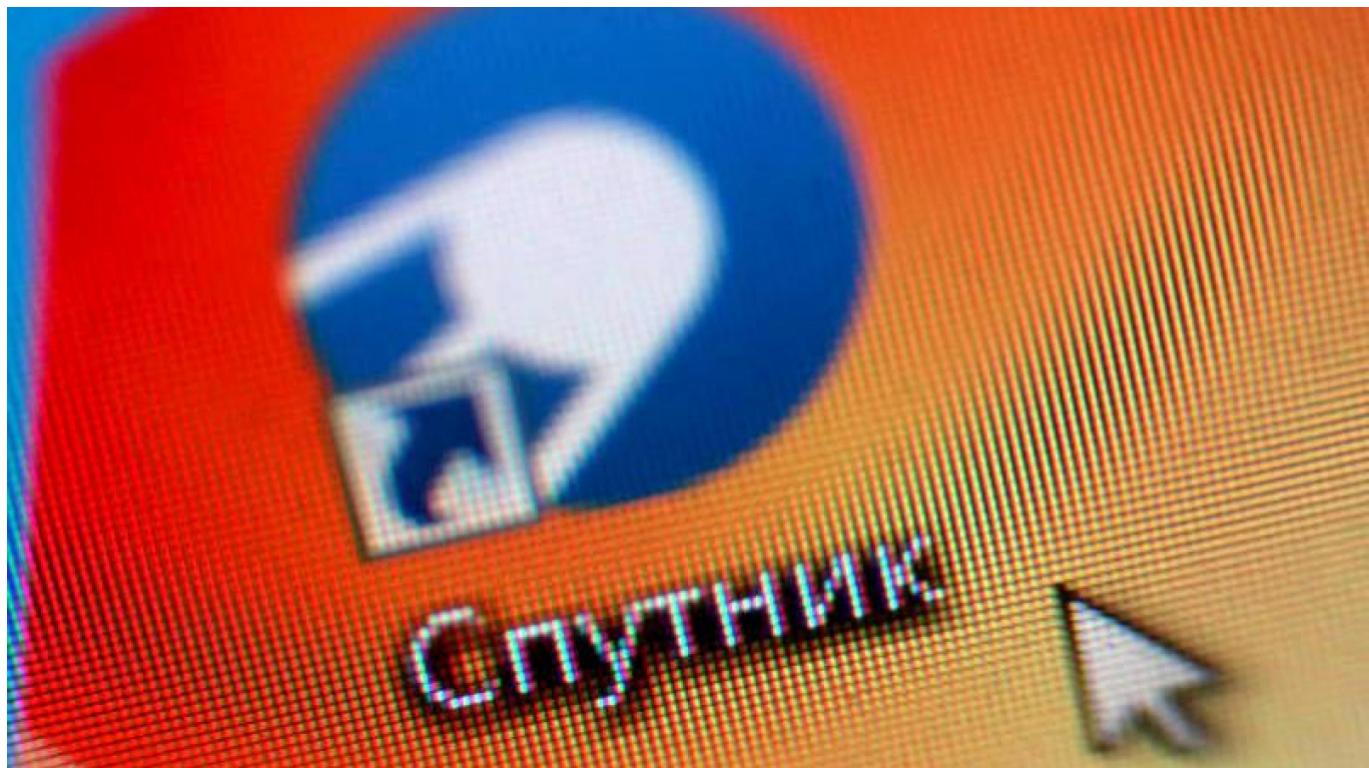


# Kremlin Search Engine Sputnik Could Close Amid Massive Losses – Reports

By [Katie Marie Davies](#)

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**Vedomosti**

Russia's Kremlin-backed search engine could soon close after capturing less than one percent of the country's online market.

Launched in early 2014, the Sputnik search engine prioritized government sources for Russian internet searches. The project, which initially cost some \$20 million dollars, also hoped to see Russia's state media harness the power of larger news aggregators such as Yandex and Google, the *Vedomosti* newspaper reported Friday.

But huge losses and low user numbers could soon force the company to focus on new projects or even close for good, several sources close to the company told *Vedomosti*.

Sputnik's revenues amounted to 136.6 million rubles in 2014, leaving losses of some 150.5 million rubles, according to data from SPARK-Interfax. The company has been unable

to capture even 1 percent of the Russian search market, referring just 100,823 users on to other sites in April 2016.

The statistics leave the company trailing behind regional leaders such as Yandex (with 54 percent of the market share), and Google (with 40.8 percent.)

**Related article:** [Test: How Does State Search Tool Sputnik Compare to Google and Yandex?](#)

Sputnik may also try to refocus its business on big data, utilizing its pre-existing algorithms, *Vedomosti* reported.

The company already has a number of state contracts, monitoring and analyzing user data for Russia's e-government projects.

Rostelecom spokesperson Andrei Polyakov confirmed that Sputnik's development plans were being "revised" to ensure that the company could meet the demands of the Russian market.

"The company wants to increase efficiency and cut costs," Polyakov told *Vedomosti*. "In order to make this happen, we're seeking a new economic and market model due changes in the market and in the economy," he said.

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