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German Investment in Russia Reaches Its Highest Level in a Decade

German businesses invested more than $3.7 billion in Russia last year.

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French bilateral trade with Russia also rose to $17 billion last year. **wintershalldea.com**

German businesses invested more than €3.3 billion ($3.7 billion) in Russia last year, reaching the highest levels in a decade and exceeding numbers not seen since Russia's annexation of Crimea in 2014, according to data from the Russia-German Chamber of Commerce cited by the Financial Times.

German corporates are not alone in increasing their cooperation with Russian firms. Bilateral trade between France and Russia grew by 11% to $17 billion last year and French firms currently have $20 billion invested in Russia, FT reported.

The French energy company Total recently acquired a 10% stake in a $21 billion gas project in Russia's Arctic, in addition to its existing 20% stake in a neighboring $28 billion gas project in

the region.

Related article: German Investments in Russia Hit 10-Year High

Gazprom's Nord Stream 2 offshore gas pipeline between Russia and Germany is receiving funding from French and German corporates Engie, Uniper and Wintershall, each of which is providing the project with €950 million ($1 billion) despite the project being threatened with U.S. sanctions.

These growing corporate ties between Paris, Berlin and Moscow suggest a 'two-track' approach to relations with Russia, FT reported. While France and Germany remain committed to keeping Russia in check politically, friendly corporate relations between the countries are also being encouraged.

"It's about pragmatism, not appeasement," a senior French official told the Financial Times. "You work with the Russians as much as you can, without compromising your position on critical issues."

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