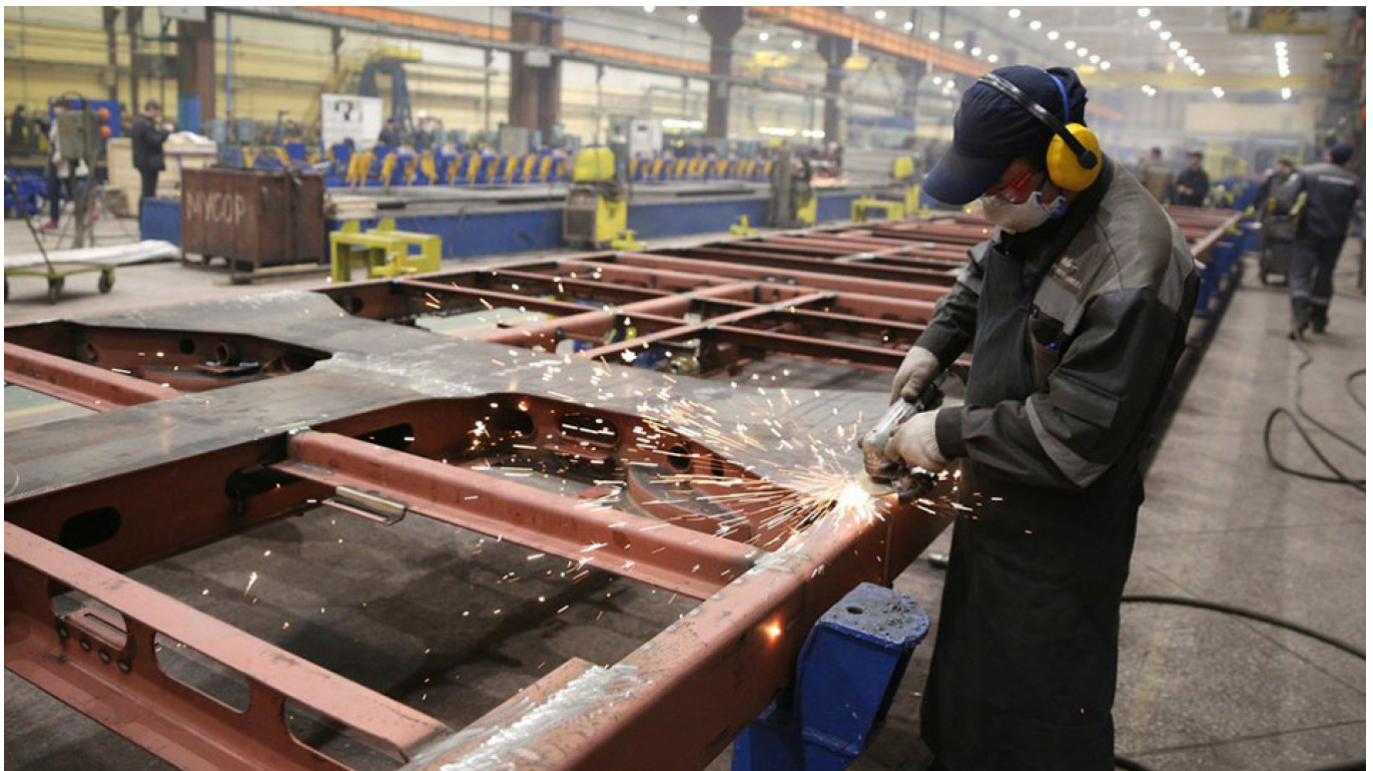


Most Russian Producers Receive Government Tax Breaks

Foreign firms in Russia more likely to use government schemes to write down tax liabilities.

January 28, 2020



Deloitte found regional tax exemptions were the most popular among Russia's industrial firms. **Kirill Zykov / Moskva News Agency**

Two in three industrial businesses in Russia receive government tax breaks, a new report from consultants Deloitte has found.

The most popular form of tax support for companies working in industries such as car manufacturing, chemical production, metallurgy and equipment manufacturing were various regional tax exemptions, offered to firms with production facilities in certain regions of Russia, followed by tax write offs for capital expenditure, such as buying new equipment.

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Deloitte also found that foreign companies based in Russia were more likely to receive tax breaks than Russian companies.

Three-quarters of the foreign industrial firms surveyed reported using government tax schemes to reduce their bills, compared to 67% of Russian companies. The consultancy said it was easier for foreign companies to move their production to a region which offered tax cuts, compared to Russian firms who may be more tied to a specific location.

Car manufacturers were the least likely to use various exemptions, though still more than half of businesses said they were receiving tax breaks. Earlier this year, auto makers called for more government support for the industry, as they [forecast](#) sales of new vehicles would drop for the second year in a row in 2020.

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