

Russia's Small Business Share Hits Record Low

Small businesses account for less than one in every eight rubles of corporate turnover.

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Russia's small businesses are recovering slower from the pandemic than larger firms. **Denis Grishkin / Moskva News Agency**

Russia's small businesses are claiming their lowest share of corporate turnover since at least 2008, as the coronavirus pandemic and lack of government support continue to hit hard.

The country's smallest enterprises raked in 13.7 trillion rubles (\$189 billion) in combined revenue during the first six months of 2021, according to government statistics analyzed by the [Vedomosti](#) news site. That equates to just 11.5% of Russia's combined corporate revenue, the lowest reading since such statistics were first published in 2008.

Small business owners have long [complained](#) about a lack of sufficient support from the Russian government throughout the pandemic. The Institute for Comprehensive Strategic

Studies says 47% fewer small businesses received government support in August 2021 compared with the same month in 2019, despite the impact of the pandemic.

But their share of corporate turnover had been declining long before the coronavirus struck, with small businesses accounting for just 13.4% of business revenue in 2019, down from a record high of 18.2% recorded in 2017.

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Experts say Russia's small businesses are more exposed to the country's domestic economic trends, such as a squeeze on living standards and high inflation, because they predominantly operate in the retail sector of the economy and rarely export to other countries. Russia's largest enterprises, on the other hand, are seeing revenues grow strongly off the back of the coronavirus recession as the global economy reopens and commodity prices surge.

Small business turnover is up around 10% on pre-pandemic levels — or lower in real terms once the effects of inflation are accounted for. Conversely, revenue at the largest businesses has grown by almost 30% over the same period.

Russia's small businesses face more hardship in the coming months with the expected [introduction](#) of health passes limiting access to non-essential retail outlets and all restaurants to Russians who have been vaccinated or had a recent Covid-19 infection. The QR-code entry scheme saw [revenue](#) at restaurants in Moscow fall by as much as 90% when a similar initiative was rolled out in the summer.

Just 35% of Russians have been fully vaccinated against the coronavirus.

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