

7 in 10 European Businesses to Cut Russia Investment – Poll

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Sergei Vedyashkin / Moskva News Agency

Seven in 10 European businesses expect to cut their investments in Russia this year as Western sanctions over the Ukraine invasion and Moscow’s countermeasures have forced them to revise their outlooks, according to an Association of European Businesses (AEB) [survey](#).

The companies’ forecasts mark a dramatic reversal from their strong performance in 2021, when three-quarters of AEB’s 500 members reported a year-to-year increase in turnover.

In 2022, more than half of AEB’s respondents said the sanctions and Russia’s response measures had a “significant” impact on their businesses. A majority named supply chain disruptions (64%) followed by lower sales volumes (51%) and difficulties with payments (42%) as the most affected areas.

“As the start of 2022 was significantly worse than expected, AEB members’ estimations regarding their investment prospects in 2022 and business development in the short-term

considerably decreased,” the association said in its survey published Thursday.

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A total of 70% of the surveyed European businesses said they expect their investments to decrease against the previous year. Only 7% expected an increase and 20% no changes in their strategies.

Nearly half of the surveyed European businesses said their companies had planned but suspended new investments in 2022 due to the crisis. Almost one-quarter said they had to suspend investments in current projects.

Companies have had to cut marketing budgets (47%), change investment plans (41%) and postpone the launch of new products (32%) so far in 2022 in response to the crisis.

Asked about what had the most negative impact on their business, 60% of the surveyed AEB members named transport restrictions, 52% export/import restrictions and 42% sanctions targeting Russian financial organizations.

Still, 65% of the businesses that employ an average of 1,400 staff each said they plan to keep their personnel compared with 17% that reported staff cuts.

Almost four out of five said they kept their numbers of foreign highly qualified employees unchanged this year, while less than one in five said the number has decreased.

AEB carried out its 15th annual survey among 107 of its 500 members between April and June 2022.

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