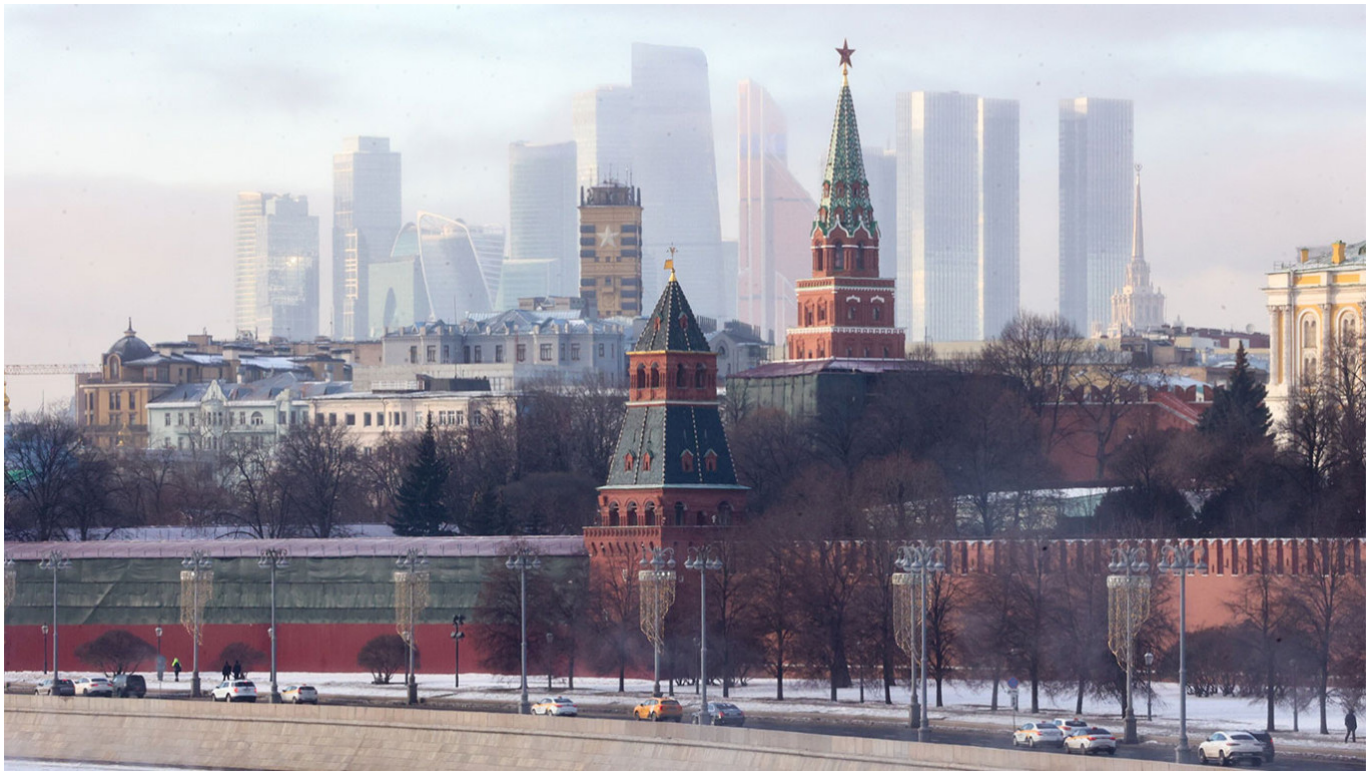
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INDEPENDENT NEWS FROM RUSSIA

10K Foreign-Affiliated Companies Have Exited Russia Since Ukraine Invasion – Report

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A view of the Moscow Kremlin and the Moscow City business center. **Yaroslav Chingaev / Moskva News Agency**

Nearly 10,000 companies with foreign involvement have exited Russia in the two years since it invaded Ukraine, the Vedomosti business daily reported Thursday, citing corporate data.

The number of legal entities with foreign affiliation declined by 6,200 in 2022 and 3,400 in January-October 2023, totaling 9,600, according to the publication.

Overall, Vedomosti said 23,500 companies with foreign co-owners have been liquidated since March 2022.

The discrepancy between the 9,600 and 23,500 figures is explained by the number of new companies with foreign affiliations registering in Russia.

Vedomosti noted a significant increase in companies with co-founders from former Soviet

republics — which accounted for 59% of all new companies registered in 2023 in Russia, as well as companies with co-founders from China, which accounted for 25% over the same period.

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Companies with co-founders from Turkey and India accounted for 3% and 2% of firms last year respectively.

Likewise, 3% of companies registered in Russia last year were from countries that the Kremlin deems "unfriendly" (such as the United States and NATO members), according to Vedomosti, compared to 14% in 2021.

Citing a report by Spark-Interfax, Russia's database on business activities, Vedomosti said a total of 116,400 legal entities with foreign involvement were registered in Russia as of late 2023. That's down 37% from the peak of 185,000 foreign-affiliated entities recorded in 2017.

"On the whole, the company registration statistics involving non-residents allow us to speak of signs that foreign business interest in the Russian market is recovering," Vedomosti quoted the Spark-Interfax report as saying.

Experts interviewed by the publication attributed the decrease in foreign-affiliated companies in Russia to Western sanctions and the Kremlin's efforts to lure Russian entrepreneurs to transfer assets based in "unfriendly" countries back home.

"De-offshorization and reorientation of the country's economy eastward partly help mitigate the negative consequences of this trend," Vedomosti wrote, citing Mikhail Nikolayev, who heads the Russian ratings agency ACRA's sovereign and regional ratings group.

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