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Russia Open to Western Companies' Return, Officials Say, But on Moscow's Terms

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Despite speculation that some Western businesses are exploring a return to Russia amid the United States' recent diplomatic outreach to Moscow, Russian officials, including President Vladimir Putin, made clear on Tuesday that any re-entry to the market would come with strict conditions.

Putin warned that foreign businesses would not be allowed to repurchase their Russian assets at the low prices they sold them for, nor would they receive preferential treatment. He called for a regulatory framework that would facilitate their return while maintaining an "advantage" for domestic manufacturers.

"Each deal will require separate, careful consideration," Putin said at the annual congress of the Russian Union of Industrialists and Entrepreneurs, a major business lobby.

Hundreds of Western companies ended or scaled back operations in Russia following the full-scale invasion of Ukraine. The first direct U.S.-Russia talks since then, held in Saudi Arabia last month, coincided with a wave of Russian media reports claiming that Western firms were eager to re-enter the Russian market as geopolitical tensions potentially ease.

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Putin instructed the Russian government to draft "transparent" rules for Western firms seeking to return, ensuring "honest and responsible conduct" in Russia. The Russian Union of Industrialists and Entrepreneurs said the regulations would be finalized by April.

According to Kirill Dmitriev, Putin's special envoy for international economic and investment cooperation, U.S. companies will be required to form joint ventures with Russian businesses that have taken over their market share.

At the same time, First Deputy Prime Minister Denis Manturov said that Russian beneficiaries would need to retain control over these ventures and the technologies involved.

"The principles of foreign investment and localization must change," he said during Tuesday's congress.

While Russia has adapted to many Western sanctions and replaced some foreign brands with domestic alternatives, it has signaled an interest in easing restrictions for returning firms as part of potential negotiations to end the war in Ukraine.

Trade between Russia and the U.S. remains minimal, with American exports to Russia totaling just $500 million in 2024, while Russian exports to the U.S. reached $3 billion.

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