

Asian Business Giants Thrive in Russia Despite Sanctions

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Yegor Aleyev / TASS

A good number of Asian companies continue to conduct business in Russia, maintaining operations despite sustained international sanctions imposed after the full-scale invasion of Ukraine.

Maintaining a complex balance between profit, geopolitical alignment and risk management, their presence reveals a divergence between the wartime Western corporate exodus and Eastern mercantile strategy.

Japan Tobacco, which is 33% owned by the Japanese government, is still active in Russia, according to a list maintained by Yale CELI. While it has publicly paused investments and advertising, its core operations remain untouched, with profits from Russia making up about 20% of its income, the company's CEO [revealed](#) to the Financial Times in May 2024.

Japan Tobacco employs over 4,000 people across four Russian factories and has adapted to

sanctions by routing logistics through Turkey and shifting senior management responsibilities to Hong Kong.

In August 2023, Ukraine's National Agency on Corruption Prevention (NACP) also identified Japan Tobacco as one of the companies paying taxes to Russian authorities and enabling Moscow to continue its war against Ukraine.

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The designation was followed by a sustained effort by Ukrainian activists and public figures to pressure the company into withdrawing from Russia. However, the campaign had relatively little effect on Japanese public opinion and failed to achieve its basic goal.

Chinese firms have also deepened their presence in Russia, according to a list maintained by the Kyiv School of Economics, and are capitalizing on the vacuum left by Western departures.

One prominent example is Great Wall Motor Co., which doubled its revenue in Russia in 2023 as most major European and American car makers either suspended operations or exited altogether. The company was also added to NACP's list — however, the firm shows no signs of retreating from a market where consumer demand for Chinese vehicles is growing steadily.

Haier, another Chinese manufacturer, has also expanded its Russian footprint. The company already operates at least three factories in Russia and in mid-2022, announced plans to build a fourth in Naberezhnye Chelny. Haier's revenue jumped more than 50% in 2023, a surge driven by the retreat of Western competitors and the company's aggressive local marketing strategy.

Despite international scrutiny, Haier has made no indication that it intends to scale back its operations in the country. Xiaomi, though less directly involved in manufacturing in Russia, continues to thrive in the Russian consumer electronics market. In July 2022, Xiaomi and its sub-brand POCO accounted for a dominant 42% of all smartphones sold in Russia.

However, the company publicly distanced itself from geopolitical tensions, stating that it supports peace and does not endorse any military action.

Financial institutions also play a central role in this ongoing engagement.

The Industrial and Commercial Bank of China (ICBC) maintains its Russian subsidiary, ICSIB Bank, which has seen explosive growth between 2022 and 2025 — mainly because of Moscow's Central Bank going above and beyond to accommodate them.

Hikvision, known for producing surveillance technology, has also seen significant gains in Russia. Its 2022 revenue grew by 42% y/y. The growth is indicative of the increased demand for both Russian state surveillance apparatus' increased demand for equipment and a lack of Western alternatives.

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Indian companies like Bajaj Auto and Dr. Reddy's Labs, which are household names, also continue to operate in Russia. Since these companies have a mostly India-based supply chain insulated from any major Western exposure, they have relatively escaped much of the disruptions experienced by their peers from Europe and the U.S.

Russia's increasing economic tilt toward Asia is also reshaping its trade and financial infrastructure.

China is now Russia's largest trading partner, with cross-border trade booming. This deepening of ties is not merely commercial — it reflects a shift in geopolitical alignment.

Chinese companies are cementing their positions as European and American firms continue to retreat, not just as opportunistic entrants but as long-term actors in a reconfigured Eurasian marketplace. Operating in Russia today comes with considerable risk. The threat of secondary sanctions from the West remains real, and reputational fallout is increasingly difficult to manage.

Moreover, Russian authorities are now increasing financial barriers to exit, including heightened exit taxes and forced asset write-downs. Despite these challenges, for many Asian companies, the decision to remain in Russia is driven by clear-eyed pragmatism. In some cases, market potential outweighs reputational damage, in others, state backing or geopolitical alignment offers a buffer against Western criticism.

What emerges is a picture of divergence: while much of the West disengages from Russia, Asia — particularly China — continues to move in.

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