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Foreign Investment in Russia Falls to Lowest Level Since 2001, UN Report Says

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Sergei Kiselyov / Moskva News Agency

Foreign direct investment in Russia fell to just $3.3 billion in 2024, its lowest level since 2001, according to new data published by the United Nations Conference on Trade and Development (UNCTAD).

The data, released during Russia's flagship St. Petersburg International Economic Forum, shows a 62.8% decline in investment between 2023 and 2024 and a 50% drop from the pre-war year of 2021, when Russia attracted $38.8 billion.

Even if the war were to end tomorrow, few serious businesses would consider Russia as an attractive investment destination given the political risks that would remain, Sergei Aleksashenko, a former deputy governor of the Russian Central Bank who now lives abroad, told Reuters.

According to the Central Bank itself, foreign investment in Russia's non-financial sectors has declined by 57% over the past three years. Total accumulated FDI fell from $497.7 billion at the start of 2022 to $216 billion as of January 2025, the lowest level since 2009.

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Analysts point to a rise in state seizures of private assets, including the recent nationalization of Moscow's Domodedovo Airport, as a deterrent to foreign investors. In total, more than a dozen foreign-owned businesses have been expropriated since the start of the war.

Last month, President Vladimir Putin said Western tech companies still operating in Russia but acting against the country's interests should be "strangled."

"Everyone can clearly see the situation with property rights is getting worse every day," Aleksashenko told Reuters.

UNCTAD's report also highlights the sharp contraction in 2022, when foreign firms withdrew a net $15.2 billion, reflecting the urgent repatriation of capital following the invasion of Ukraine and the imposition of sweeping international sanctions.

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