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Russian Steel Tycoon Warns of South Korea-Style Corporate Concentration

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Severstal Board Chairman Alexei Mordashov. **Yevgeny Messman / TASS**

One of Russia's richest businessmen has warned that the country's economy is increasingly dominated by large corporate conglomerates similar to South Korea's chaebol model, in which sprawling industrial groups wield significant influence over the national economy.

In an interview with the state-run RIA Novosti news agency, Alexei Mordashov, CEO of steel giant Severstal, said Russia's economic landscape now shows a "clear dominance of big corporations, while the presence of small and medium-sized businesses remains insufficient."

Mordashov's remarks come as Western sanctions force Moscow to rely more heavily on its largest corporate players to sustain key industries and national revenue.

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Vasily Osmakov, a senior official at Russia's Industry and Trade Ministry, has publicly described Russia's shift toward a chaebol-style system as a direct consequence of the sanctions regime.

While acknowledging that South Korea's chaebol model initially powered rapid economic growth, Mordashov warned that it ultimately led to weakened competition, economic imbalances and high-profile corruption scandals.

Mordashov, whose personal fortune is estimated at $28.6 billion, ranks as Russia's second-wealthiest individual.

His own business empire, which includes Severstal, tire manufacturer Cordiant, the Power Machines group, gold producer Nord Gold and forestry giant Sveza, exemplify the conglomerate model in Russia.

He also topped Forbes' latest ranking of Russian dividend earners, reportedly collecting $2.2 billion in payouts last year — more than 10% of all dividends received by individuals on the list.

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