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VK Received $579M in Russian State Funds to Build YouTube Rival – Kommersant

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Vladimir Kiriyenko. **Vladimir Smirnov / TASS**

Russian internet giant VK received 43.5 billion rubles ($578.6 million) from the federal budget last year, according to Russia's 2025 budget execution report cited by the Kommersant business daily, underscoring the Kremlin's push to build state-backed alternatives to Western digital platforms.

VK operates Russia's largest social network VKontakte, the VK Video hosting platform and the recently launched Max messaging app. The company has been headed since 2021 by Vladimir Kiriyenko, the son of Kremlin deputy chief of staff Sergei Kiriyenko.

The allocation accounted for nearly 10% of the Digital Development Ministry's total spending of 456.8 billion rubles ($6.08 billion), Kommersant reported.

Most of the funds — 39.5 billion rubles ($525.4 million) — were earmarked for the

development of a “national video platform,” a domestic alternative to YouTube. Another 4 billion rubles ($53.2 million) was allocated for the development of the Max messenger app, which authorities have promoted as a Russian counterpart to China’s WeChat.

The subsidies come as Moscow accelerates efforts to reduce Russia’s dependence on Western technology platforms following sweeping sanctions and the exodus of foreign tech companies after the start of the war in Ukraine.

Russian authorities have increasingly promoted domestic online services while slowing access to foreign platforms and encouraging state institutions and businesses to migrate to locally developed software.

Related article: VK Logs 6th Straight Annual Loss Despite Revenue Growth

VK has remained unprofitable for six consecutive years, posting cumulative losses of nearly 200 billion rubles ($2.66 billion) between 2020 and 2025.

The company reported a net loss of 24.9 billion rubles ($331.2 million) in 2025, following losses of 94.9 billion rubles ($1.26 billion) in 2024, 34.3 billion rubles ($456.2 million) in 2023, 32.6 billion rubles ($433.6 million) in 2022, 6.5 billion rubles ($86.5 million) in 2021 and 1.9 billion rubles ($25.3 million) in 2020.

The company’s cumulative losses over the six-year period are roughly equivalent to the annual budgets of entire Russian regions including the Stavropol region, whose 2025 budget totaled 195 billion rubles ($2.59 billion), or the Voronezh region, with a budget of 208 billion rubles ($2.77 billion).

A source familiar with the government’s plans told Kommersant that the subsidies were directed specifically toward the development of VK Video.

Another source said officials are considering granting the platform the status of a “national video platform” to strengthen its position against competitors.

Such a designation could guarantee access to the service during internet restrictions, require its pre-installation on smartphones and enable integration with the state services portal Gosuslugi, according to the report.

Research group Mediascope said VK Video’s daily audience reached 42.2 million users in January, excluding Smart TV, background and embedded viewing. Its monthly audience stood at 82.8 million users during the same period.

By comparison, YouTube’s monthly audience in Russia was 65.9 million users, while the state-backed Rutube platform had 47.7 million users, Mediascope data showed.

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