The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia's Billionaires Face a Dilemma – Putin Threatens and Protects Their Wealth

By Ilya Matveev

July 14, 2026

Andrey Melnichenko. **Alexander Gromov / Roscongress**

Among the eight billionaires who were taken off the Russian Forbes list in 2026, only four were removed because their businesses became less valuable. Three others had their assets nationalized by the state: Dmitry Kamenshchik lost Moscow's Domodedovo Airport, Konstantin Strukov his gold mining operations and Denis Shtengelov his food conglomerate. Finally, one person, Yandex founder Arkady Volozh, was removed from the list due to renouncing his Russian citizenship.

Overall, Russia's billionaire class is doing well. In 2026, its collective wealth finally surpassed the 2021 level — $697 billion versus $663 billion. This recovery was made possible by the largely successful export reorientation away from the West, the expanding domestic consumer market and the seizure of Western assets in Russia. Nevertheless, the specter of

wartime nationalization looms large and by mid-2026, the drivers of wartime wealth expansion are likely to be exhausted.

Russian oligarchs find themselves in an awkward position. The opportunities for internationalization are severely limited due to Western sanctions. Domestic growth, however, is also problematic. In 2025, Russia's GDP grew by only 1% while the non-war economy actually contracted. The low-hanging fruit for these tycoons to expand their domestic market share by seizing Western operations in Russia has already been picked. Further expansion at home is probably possible, but it would require a massive long-term investment. Does it make sense to invest, however, if the state can simply nationalize your assets?

Cue Andrey Melnichenko's profile and op-ed in The Economist. One of the richest men in Russia thanks to his assets in the fertilizer, mining and energy sectors, he has given very few interviews in the past. Now, however, he seized a perfect PR opportunity, with pages upon pages of soft-focus profiling and a platform to publish his own views extensively.

Related article: Kremlin Elites Have No Way to Remove Putin, Even if They Wanted To

On the most basic level, Melnichenko's démarche amounts to an extended declaration of loyalty. In a scene worthy of Stalinist propaganda, he describes thanking President Vladimir Putin for helping him understand that "You cannot have one country for making money and another for security, your family's future and real life" (right after asking anxiously whether the folder on Putin's table contains any kompromat on him). In his self-penned article, Melnichenko centers the concept of sovereignty (Putin's favorite term) and declares that "aligning strategy with a state that regards large business as part of its strategic capacity — is the only one that does not require surrendering the future."

According to Melnichenko, contracts and investments are best protected by the backing of a strong state. This is, of course, quite ironic considering the fact that the Russian state is precisely the threat that Melnichenko is trying to defuse, with a profile and op-ed in The Economist as part of that effort. And yet, for an unfathomable reason, Ostrovsky claims that Melnichenko is somehow brave for speaking out, even though his actual words show supreme conformity to Putin's wishes.

Melnichenko is not the first Russian billionaire to offer such a declaration of loyalty in the Western press. Back in 2007, Oleg Deripaska famously told The Financial Times: "If the state says we need to give [my company] up, we'll give it up. I don't separate myself from the state. I have no other interests." Despite being almost two decades old, this quote is still relevant to Milnichenko's most recent loyalty pledge since the mid-2000s were also a difficult period for the Russian billionaire class. Favorable economic conditions produced immense fortunes, yet property rights were uncertain — Putin's siloviki network was rapidly expanding its footprint in the Russian economy and the Yukos was unnerving other billionaires. In the end, Deripaska was successful and the Kremlin bailed out his business during the 2009 economic crisis. Less a humble servant of the state, he proved to be its cunning beneficiary. Time will tell whether Melnichenko will manage the same feat.

Related article: The Ukraine War Has Tied Russia's Elites Closer to the Kremlin

Russian capital is, by necessity, looking inward. The long arm of the United States Treasury can reach Russian companies even in non-Western jurisdictions, severely limiting opportunities for internationalization. What is more, Melnichenko is probably correct in his observation that truly borderless capital is a thing of the past: businesses everywhere are seeking closer ties with their respective nation-states. The problem, however, is that the safety valve of internationalization was precisely what sustained state-business relations in Putin's Russia before, as multiple researchers have shown. Conditions in Russia were imperfect, yet businessmen could always escape them by living and settling their affairs in London or even simply by sailing around the world for months at a time, as Melnichenko did in his enormous yacht.

Now, however, the billionaires are stuck with the Kremlin. They want more stable and favorable institutional conditions in Russia, yet are unprepared to fight for them. After more than 25 years of staying out of politics, per Putin's categorical demand, their organizational muscles have completely atrophied.

What is more, creating a more business-friendly environment could lead to calls for democratization, which might turn out to be even worse than Putinism for Russian oligarchs.

Democracy will almost inevitably bring demands for economic redistribution. Inequality in Putin's Russia is extremely high; large fortunes are seen as illegitimate and much of Russian society is instinctively egalitarian. Furthermore, while Melnichenko and the rest of his class seek protection from Putin, any change in leadership would view them as part of Putin's old regime, which they effectively are by financing it with bribes. In effect, democracy for the billionaire class would amount to jumping out of the frying pan and into the fire.

Hence Melnichenko's supreme vagueness about what he is actually proposing and planning to do in Russia. Melnichenko and other billionaires want (and probably need) to do something, yet any active stance contains multiple dangers.

If the Russian regime were smart and flexible, it would make the first step by negotiating a new model where the Kremlin credibly commits to a stable and secure business environment in exchange for a massive outpouring of investment. However, this is hardly possible while the war goes on and politics is dominated by anonymous FSB generals. Russia's billionaires are Putin's hostages and will share his regime's fate.

The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.

Original url:
https://www.themoscowtimes.com/2026/07/14/russias-billionaires-face-a-dilemma-putin-threatens-and-protects-their-wealth-a93243