

## Introduction

Russia is a country located in northern Eurasia bordering the Arctic Ocean between Europe and the North Pacific Ocean. Neighboring countries include Azerbaijan, Belarus, China, Estonia, Finland, Georgia, Kazakhstan, North Korea, Latvia, Lithuania, Mongolia, Norway, Poland, and Ukraine. The geography is diverse and includes vast forests and tundra in Siberia and mountains along the southern borders. The government system is a federation; the chief of state is the president, and the head of government is the premier. Russia has transitioned from a centrally-planned economy to a more market-based economy in which many state-controlled firms have been privatized and sectors of the economy are liberalized. Russia is a member of the Asia-Pacific Economic Cooperation (APEC) and the Eurasian Economic Union (EAEU).



**Location:** Eastern Europe

**Capital City:** Moscow (+3 GMT)

**Chief of State:** President Vladimir Vladimirovich Putin

**Head of Govt.:** Premier Mikhail Vladimirovich Mishustin

**Currency:** Rubles (RUB)

**Major Languages:** <p>Russian (official) 85.7%, Tatar 3.2%, Chechen 1%, other 10.1%; note - data represent native language spoken (2010 est.)</p>

**Primary Religions:** <p>Russian Orthodox 15-20%, Muslim 10-15%, other Christian 2% (2006 est.)</p>

**Calling Code:** 7

**Voltage:** 220

## Key Websites

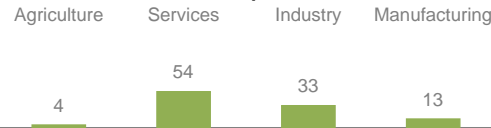
Main Government Page: [government.ru](http://government.ru)

Commerce Ministry: [economy.gov.ru](http://economy.gov.ru)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$5,326.85 billion (2022)
GDP growth (annual %):	-2.07% (2022)
GDP per capita, PPP (current international \$):	\$36,484.68 (2022)
External debt stocks, total (DOD, current US\$):	\$481,418,073,713.00 (2021)
Manufacturing, value added (% of GDP):	12.84% (2022)
Current account balance (BoP, current US\$):	\$233.02 billion (2022)
Inflation, consumer prices (annual %):	6.69% (2021)
Labor force, total:	73,367,843 (2021)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.72% (2021)
Imports of goods and services (current US\$):	\$349.17 billion (2022)
Exports of goods and services (current US\$):	\$631.55 billion (2022)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	134 / 178
EY Globalization Index	48 / 60
Global Competitiveness Index	43 / 141
Global Enabling Trade Index	111 / 136
Global Manufacturing Competitiveness Index (GMCI)	32 / 40
Global Services Location Index	21 / 60
Index of Economic Freedom	125 / 176
International Logistics Performance Index (LPI)	75 / 160
Inward FDI Potential Index	20 / 139
KOF Index of Globalization	48 / 185
Networked Readiness Index (NRI)	41 / 139
Open Budget Index	13 / 114

## Risk Assessment (Provided by Coface)

**Country rating: D** - A high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior. Corporate default probability is very high.

**Business Climate rating: B** - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

### Strengths

- Abundant natural resources (oil, gas, wood, cereals, diamond, potash (used in the production process of fertilisers) and metals)
- Size of its market and skilled labour force
- Low debt level, however, macroeconomic stability is expected to deteriorate due to sanctions
- Digitalisation and innovation capacity
- Vastness of the territory that borders Europe and China
- Sovereign wealth fund

### Weaknesses

- Harsh and numerous sanctions against the country after its invasion of Ukraine
- Dependence on hydrocarbon prices
- Declining demographics
- No trade agreements beyond neighbouring countries
- Dependence on foreign technology
- Weak infrastructure, aggravated by lack of public investment, which is especially apparent outside main towns
- Heavy social security contributions (30% of salaries) which favours informality
- Institutional and governance weaknesses (insolvency treatment, property rights, corruption), weak investment climate

## U.S. Embassy

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