

## 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 Putin

**Head of Govt.:** Prime Minister Dmitry Medvedev

**Currency:** Rubles (RUB)

**Major Languages:** <p>Russian (official) 85.7%, Tatar 3.2%, Chechen 1%, other 10.1%</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 \$):	\$3,817.20 billion (2017)
GDP growth (annual %):	1.55% (2017)
GDP per capita, PPP (current international \$):	\$25,533.00 (2017)
External debt stocks, total (DOD, current US\$):	\$492,763,094,324.60 (2017)
Manufacturing, value added (% of GDP):	11.92% (2017)
Current account balance (BoP, current US\$):	\$35.17 billion (2017)
Inflation, consumer prices (annual %):	3.68% (2017)
Labor force, total:	75,638,703 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	5.20% (2017)
Imports of goods and services (current US\$):	\$326.37 billion (2017)
Exports of goods and services (current US\$):	\$410.78 billion (2017)

## GDP Composition %

Agriculture Services Industry Manufacturing



*\*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	135 / 178
EY Globalization Index	48 / 60
Global Competitiveness Index	43 / 139
Global Enabling Trade Index	111 / 136
Global Manufacturing Competitiveness Index (GMCI)	32 / 40
Global Services Location Index	23 / 55
Index of Economic Freedom	98 / 179
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	15 / 115

## Risk Assessment (Provided by Coface)

**Country rating: B** - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

**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 and metals)
- Floating of the ruble since November 2014
- Market size and skilled labor force (but shrinking population)
- Sound public and external accounts
- Efforts to clean up the banking sector

### Weaknesses

- Dependent on hydrocarbon prices
- No trade agreements beyond immediate neighbors
- Dependent on foreign technology
- Poor infrastructure and lack of investment
- Heavy social security contributions favoring informal economy
- US and European sanctions hindering offshore field development and innovation
- Institutional and governance weaknesses (insolvency treatment, property rights, corruption)

## U.S. Embassy

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