

## 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

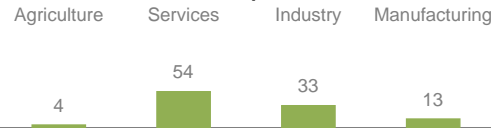
Main Government Page: [government.ru](http://government.ru)

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: D** - The business environment is very difficult. Corporate financial information is rarely available and when available usually unreliable. The legal system makes debt collection very unpredictable. The institutional framework has very serious weaknesses. Intercompany transactions can thus be very difficult to manage in the highly risky environments rated D.

### Strengths

- Abundant natural resources (oil, gas, wood, cereals and metals)
- Market size and skilled labor force
- Low debt level, but the macroeconomic stability is expected to deteriorate due to sanctions
- Digitalization and innovation capacity

### Weaknesses

- Harsh and numerous sanctions were implemented on the country after the Russian invasion of Ukraine
- Dependence on hydrocarbon (39% of GDP) prices
- Declining demographics
- No trade agreements beyond the neighborhood
- Dependence on foreign technology
- Weak infrastructure aggravated by the lack of investment
- Heavy social security contributions (30% of salaries) favoring informality
- Institutional and governance weaknesses (insolvency treatment, property rights, corruption), weak investment climate

## U.S. Embassy

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