



Moscow, May 25, 2026

Resilience Under Pressure: Unchanged Long-Term Optimism Despite Current Economic Slowdown

Results of the AEB Annual Survey

“Strategies and Prospects of European Companies in Russia”

The 19th AEB Annual Survey, conducted between March and May 2026 among 119 member companies, reflects a business community navigating growing short-term challenges while maintaining strong long-term confidence in Russia.

The AEB Business Climate Index declined from 127 to 111 points, moving from positive to neutral area of expectations. This shift was primarily driven by weakening short- and medium-term economic expectations: only 17% of respondents expect economic growth within the next one to two years, compared to 50% in 2025. At the same time, the share of companies reporting turnover growth fell to a 15-year low (40% versus 56% in 2025), while one-third of companies reported declining turnover (33% versus 22% previously). Investment sentiment has also weakened, as the share of companies planning to reduce investments doubled year-on-year to 13%.

Nevertheless, despite these pressures, long-term business confidence remains remarkably resilient. Expectations for the next 6–10 years remain broadly stable at 79% (versus 82% in 2025). Most companies are not considering closing their Russian operations (67%, unchanged year-on-year), while 57% continue to view their Russian business as an important part of their global footprint.

Overall, the results suggest that European companies are adapting to the current environment, maintaining selective investments, and keeping their focus on the future.

Company profiles

Russia (20%), Germany (18%), France (10%), the United States (9%), Italy (8%), the Netherlands (6%), Switzerland (4%), the United Kingdom (3%), Japan (3%), the UAE (3%), Türkiye (3%), Sweden (2%), Austria (2%), Belgium (2%), Hungary (2%), Denmark (2%), Finland (1%), and others. It should be noted that many Russian member companies of the AEB have European capital participation, were established by European citizens, and/or have European roots.

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24% of member-companies stated that their main operations were in FMCG and retail, 17% – chemicals / pharmaceuticals market sector, 9% each indicated financial services and professional services, 7% – agricultural sector, 4% each goes to automotive sector, engineering / construction, transport / logistics sector, 2% – IT & telecommunications, 1% – hospitality sector and others.

50% of companies indicated that their company employed up to 250 people in Russia. Companies with more than 5,000 employees also took part in the survey, accounting for 6% of all survey participants.

Market entry

The main reasons for entering the Russian market continue to be the high market potential, it's large size and positive dynamics (as per mind of 63%, 60% and 53% respondents respectively). These factors remain to be relevant reasons for presence on the Russian market today, however their attractiveness for companies has significantly decreased compared to the time they entered the market.

Prospects for companies and business environment

In 2025 the Russian economy experienced a significant downturn after a gradual recovery in 2023-2024. The share of companies reporting turnover growth in 2025 fell to a 15-year low (40% vs 56% in 2025). A third of companies reported a decline in turnover last year (33% vs 22% in 2025).

The short-term forecast of the Russian economy development has gloomed with only 17% of respondents expecting economy growth in the next 1-2 years (vs 50% in 2025), 39% expect decrease (vs 22% in 2025). The mid-term expectations are more optimistic, however worse than last year, – 49% of companies expect economy growth in the next 3-5 years (vs 65% in 2025). The long-term forecast stayed at the last year level – 79% of respondents expect economy growth in the next 6-10 years (vs 82% in 2025).

Business has generally adapted to the current situation, which allows companies to make fairly realistic forecasts regarding the development of their business – about a half of respondents (55% vs 52% in 2025) stated that their business results in the first 3 months of the year 2026 were as expected. A third of companies noted the worsening of the business results (35% vs 34% last year). Only 9% of respondents declared that the business results exceeded their expectations (vs 12% in 2025).

The assessments of the current Russian economy development significantly decreased. 40% of companies marked that in the first 3 months of 2026 the Russian economy performed worse than their expectations (vs 27% in 2025). Only 8% of AEB members noted that the economy demonstrated better results than they expected (vs 11% in 2025).

Despite a significant decline in business sentiment regarding the short-term forecast of the Russian economy development, the companies' expectations of their turnover and profit growth in the next 3 years stayed at the

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last year level – 57% of respondents expect their turnover growth (vs 59% in 2025), 40% expect the growth of their profit (vs 38% in 2025). However, the share of companies which predicted their turnover decrease in the next 3 years almost doubled – 18% vs 10% in 2025.

There remain significant barriers to business in Russia. The top list of the most significant obstacles in 2026 includes:

- 82% restrictions due to US, EU, and other countries' sanctions against Russia
- 77% geopolitical uncertainty
- 41% restrictions due to Russia's countermeasures to sanctions
- 38% reputational risks for businesses from working in Russia
- 32% refusal of foreign partner companies to do business in Russia
- 32% difficulties with making payments and settlements
- 31% decline in purchasing power of the Russian population
- 30% macro-economic uncertainty

According to the survey participants' mind, tax changes will also have a significant impact on their businesses in Russia. Companies consider VAT increase (56%), increase in corporate income tax to 25% (53%) and progressive personal income tax (29%) as the most significant barriers to their operations.

Investment

A decline in companies' investment activity is observed: the Russian market is no longer as attractive to them as it was before. The assessments of the investment prospects in the industry and in Russia as a whole have decreased, the perception of the Russian market attractiveness in the way of large potential, large size, positive dynamics and beneficial raw material costs has decreased significantly. The number of companies planning to reduce their investment volume in 2026 has more than doubled – 13% vs 6% in 2025. The share of companies continuing to support their investment projects has decreased by 10% compared to the previous year – 46% vs 56% in 2025. The number of companies planning to increase their investments in 2026 has stayed at the last year level – 21% vs 22% in 2025.

As for foreign companies' investment in the industries and in Russia as a whole in the next 2-3 years, AEB members' forecasts have also become more pessimistic compared to the last year. The share of companies expecting investment growth in their industry has more than halved (15% vs 31% in 2025). 61% predict stagnation in foreign companies' investment activity (vs 48% in 2025). The number of companies expecting a decline in investment in their industry has also increased (24% vs 18% in 2025). In the context of foreign companies' investment in Russia as a whole, the number of respondents expecting investment growth in the next 2-3 years has significantly decreased (29% vs 45% in 2025), while the share of those predicting a decline in investment has almost doubled (32% vs 17% in 2025).

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Financing

In 2026 47% of companies went to court to recover debts (vs 43% in 2025), and most cases were successful. The share of companies without bad debts reached 46% (vs 43% in 2025).

The main barriers to financing in 2026 remain US, EU and other countries sanctions against Russia (51% vs 69% in 2025), high interest rates (49% vs 53% in 2025) and restrictions due to Russia's countermeasures to sanctions (25% vs 28% in 2025).

Perception of business environment

In the context of the counterparties assessment the negative business perception of the legislative bodies and the justice system increased compared to 2025, while the assessments of the tax authorities, on the contrary, have grown. There increased the number of companies which do not expect any improvement in the following operational blocks in the next 2 years:

- customs regulations (74% of companies do not expect any improvement in this area over the next two years vs 65% in 2025),
- corruption (64% of companies do not expect any improvement in this area over the next two years vs. 56% in 2025),
- legal constraints on activities (57% of companies do not expect any improvement in this area over the next two years vs 53% in 2025),
- rising labor costs (50% of companies do not expect any improvement in this area over the next two years vs 42% in 2025),
- reliability of supply chain partners (41% of companies do not expect any improvement in this area over the next two years vs 34% in 2025),
- infrastructure (37% of companies do not expect any improvement in this area over the next two years vs 24% in 2025).

Sanctions towards Russia and Russian countermeasures

The share of companies whose businesses have been heavily impacted by the sanctions against Russia has increased significantly (55% vs 46% in 2025). Overall, 86% of companies (vs 87% in 2025) were negatively affected by U.S., EU and other countries sanctions and Russian countermeasures. The most negative impact on businesses in Russia in 2025 was caused by sanctions targeting Russian financial organizations (57% of companies noted this), export and import restrictions (48%), software restrictions (29%), difficulties in the payment of dividends and intra-group loans (26%), transportation restrictions (24%).

77% of respondents (vs 71% last year) do not expect sanctions against Russia to be eased in 2026.

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24% of AEB members responded that they transferred dividends to the headquarter abroad after February 24, 2022. 34% of companies have not transferred dividends and do not plan to.

Technological development

Among the most popular technological solutions widely used in business are CRM systems (60%), ERP systems (57%) and Cloud Computing & Cloud Services (53%). 52% of companies point out the significant or even critical impact of digital technologies on their competitiveness. However, the sanctions against Russia are the significant barrier to digitize a company (47% of AEB members stated this).

If sanctions are eased or lifted, companies, first of all, plan to restore technological cooperation with Western partners (29% noted this) and diversify technology solution providers (21%).

HR policy

The current situation causes some HR difficulties such as the necessity of salary increase for employee keeping (61% of companies, vs 66% in 2025, reported facing this problem) and lack of staff, although the last one has significantly decreased in relevance compared to the last year (39% vs 52% in 2025). As a solution most companies increase salaries to attract candidates (63% vs 81% in 2025) and hire young specialists (50%, the same as in 2025).

Perspective of business development in Russia

Despite the challenges of doing business in the current situation, most of AEB members still see new opportunities for developing their business in Russia. These primarily include market share growth (54% of survey participants, vs 50% in 2025, noted this), the opportunity to attract new consumer segments (34% vs 32% in 2025) and the ability to enter new product niches (29% vs 28% in 2025). However, at the same time the number of companies which don't see any opportunities for their business in Russia has increased (23% vs 16% in 2025).

A half of the survey participants (50% vs 48% in 2025) responded that a sustainable development strategy was developed and adopted in their company. 14% of companies (vs 23% in 2025) have the strategy under development. Another 4% (vs 6% in 2025) plan to develop a sustainability strategy in the near future.

Nevertheless, 67% of companies (the same percentage as last year) don't consider the option of closing their business in Russia. 57% of AEB members (vs 62% in 2025) stated that Russian business was important or very important for their global business.

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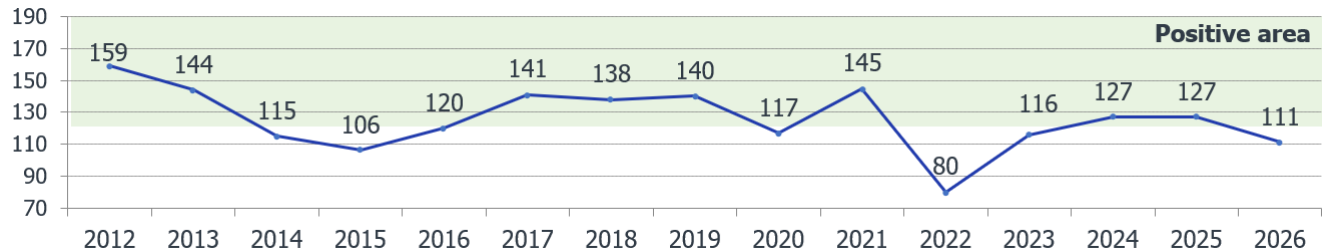
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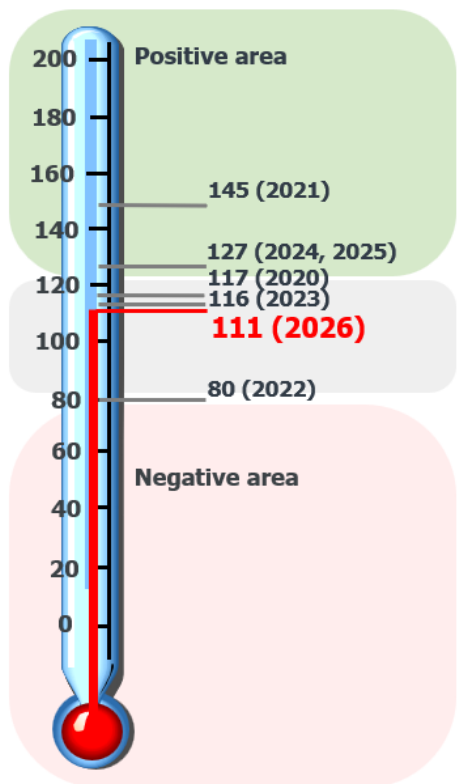
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AEB Barometer



The Integrated AEB-GFK Index has moved from positive zone, where it was the last two years, to neutral zone – 111 points out of possible 200 (close to the Index of the year 2015 – 106 points). During the last 11 years it is the lowest Index after the one in 2022 (80 points). All the Index components also demonstrated the decrease of their indicators compared to 2025. The most significant declines were noted in the short- and medium-term business expectations, as well as the current situation.



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