

Strategies and Prospects for European Companies in Russia

Research report

9 June 2025



AEB: General information



The Association of European Businesses (AEB) is:

- An independent non-commercial organization founded in 1995;
- Today, the **AEB** is the **main representative body of foreign investors in the Russian Federation**;
- An active community of about **400 members from the EU, the European**
- **Free Trade Association (EFTA)** and other countries, which do business in the Russian Federation;
- An advocate of the interests of its members working in **more than 80 industrial and cross-sectoral committees, sub-committees and working groups**;
- Working to improve the business, investment and trade environment in Russia for the AEB members through **information support, lobbying and networking activities**;
- Promoting **partnership and economic integration** between the Russian Federation and the European Union.

AEB survey: Strategies and Prospects For European Companies in Russia



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- Conducted annually, and in 2025 for the **eighteenth** time.
- A highly valuable **source of first-hand information** that provides us all with the **‘helicopter view’** of the current crisis, its impact on various sectors.
- A traditional **equitable indicator** of the perception of the business environment.
- Assists in maintaining productive relations with the **Russian authorities** and in facilitating AEB **lobbying activities** aimed at representing and defending the interests of its member companies.

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- AEB barometer and main conclusions

AEB barometer: Business expectations in Russia

Integrated index

Current business
state index

99 ▼
(2024 - 113)

Single indexes

- Current business situation (I=134) ▲
- Current macroeconomic situation (I=84) ▼
- Business development index (I=78) ▼

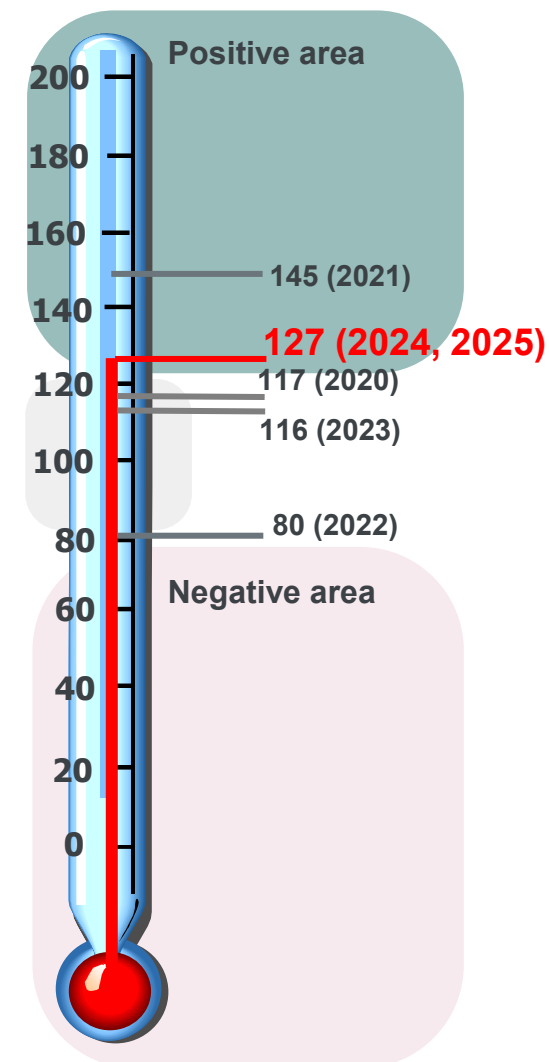
Business
expectations index

141 ▲
(2024 - 134)

Single indexes

- Business expectations (I=116) ▲
- Short-term expectations index (I=128) ▼
- Medium-term expectations index (I=158) ▲
- Long-term expectations index (I=178) ▲
- Expected turnover index (I=149) ▲
- Expected profits index (I=114) ▼

AEB index, 2025

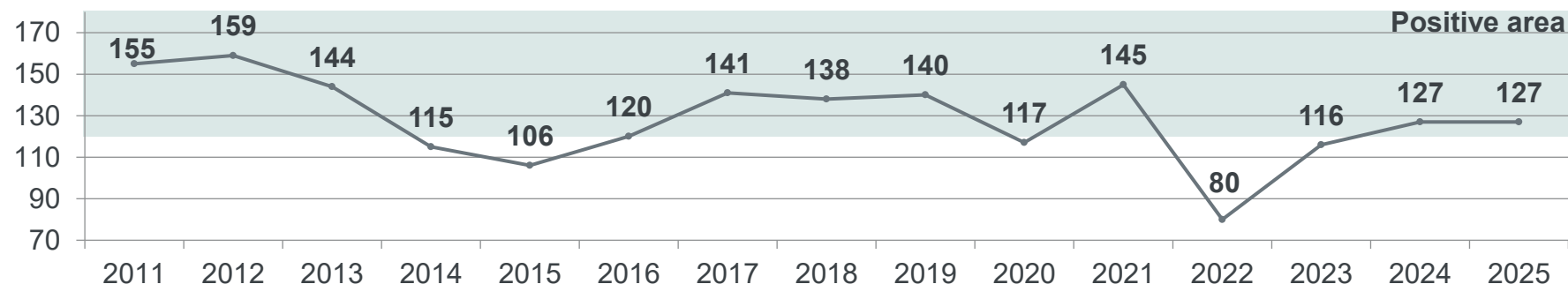


AEB barometer: Business expectations in Russia



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AEB index, Dynamics



Integrated index

Current business
state index
99 ▼
(2024 - 113)

Single indexes

- Current business situation (I=134) ▲
- Current macroeconomic situation (I=84) ▼
- Business development index (I=78) ▼

Business
expectations index
141 ▲
(2024 - 134)

Single indexes

- Business expectations (I=116) ▲
- Short-term expectations index (I=128) ▼
- Medium-term expectations index (I=158) ▲
- Long-term expectations index (I=178) ▲
- Expected turnover index (I=149) ▲
- Expected profits index (I=114) ▼

Main conclusions (1/2)

- In the year 2024 the Russian economy continued its recovery after the crises in 2022. More than a half of respondents (56% vs 49% in 2024) pointed out an increase in their company's turnover compared to the previous year.
- The short-term forecast re development of the Russian economy has become gloomier with only a half of respondents expecting continued growth in the next 1-2 years (vs 64% last year). However, the mid-term (3-5 years) and long-term (6-10 years) expectations improved with 65% (vs 60% last year) and 82% (vs 66% last year) respondents expecting growth respectively. Thus, business optimism shifted to mid and long-term growth rather than a short-term.
- The Integrated AEB-GFK Index remains at the level of the year 2024, scoring 127 points out of possible 200, staying in the positive area. However, the Index components changed significantly below the surface of the headline index. Significant increase of the Mid and Long-term Business Expectations Index were counter-balanced by the decrease of the Current Macroeconomic Situation Index, Business Development Index and Short-term Expectations Index keeping the Integrated Index at the previous year level.
- About a half of respondents (52% vs 55% in 2024) stated that their business results in the first 3 months of the year 2025 are as expected. At the same time, the number of respondents who noted the worsening of the business results doubled from 17% in 2024 to 34% in 2025. Along with an increase in the number of respondents expecting their companies' turnover growth in the next 3 years (59% vs 53% in 2024) the number of those who expect profit growth decreased and amounted 38% vs 42% in 2024.
- The most significant barriers to business in Russia are restrictions due to U.S., EU and other countries sanctions and Russia's countermeasures, geopolitical uncertainty, difficulties with making payments and settlements, reputational risks for businesses from working in Russia, refusal of foreign partner companies to do business in Russia.

Main conclusions (2/2)

- 87% of companies (vs 80% in 2024) were negatively affected by U.S., EU and other countries sanctions and Russian countermeasures. The factors having the most negative impact in 2024 are sanctions targeting Russian financial organizations, export and import restrictions, freezing of Russia's currency assets / SWIFT disconnection, transport restrictions and software restrictions. Despite the difficulties of doing business, 67% (vs 66% in 2024) of companies do not consider the option of closing their business in Russia. 62% of respondents claimed that their companies' Russian operations are important or very important part of their global business.
- Most of AEB members see new opportunities for their business development in Russia, such as growth of company market share, business extension in Russia, and the perspective to attract new consumer segments. More than a half of the respondents (56%) continue to support ongoing investment projects. 70% of companies are not planning to change their investment strategy in 2025. The number of companies planning to increase their investments in 2025 declined to 22% from 32% in 2024.
- The current situation also entails new HR challenges, such as upward pressure on salaries, employee retention, and labor shortage in certain industries. As a solution most companies increase salaries and attract young specialists.
- Assessing interactions with counterparties in Russia. respondents have become less positive and more neutral. However, in the short-term perspective the respondents expect positive developments re regulatory environment and fight against corruption. Also, there is a positive short-term outlook on work force capabilities development and cost optimization.
- The most actively used digital technologies are CRM systems, Cloud Computing & Cloud Services, ERP systems. About 60% of respondents point out the significant or even critical impact of digital technologies on their competitiveness. If sanctions are eased or lifted, companies plan to restore technological cooperation with Western partners (35%), to diversify technology solution providers (15%), to strengthen their own technological independence (11%), or to expand interaction with Russian software developers (10%).

■ Methodology

Methodology & main research goals

Main research goal

- To define the level of business activities comfort in Russia for the AEB member companies and evaluate their investment climate perception

Methodology

- Online interviews (CAWI) with the top management of AEB member companies operating in Russia
- The survey was conducted in April – May 2025

Sample size

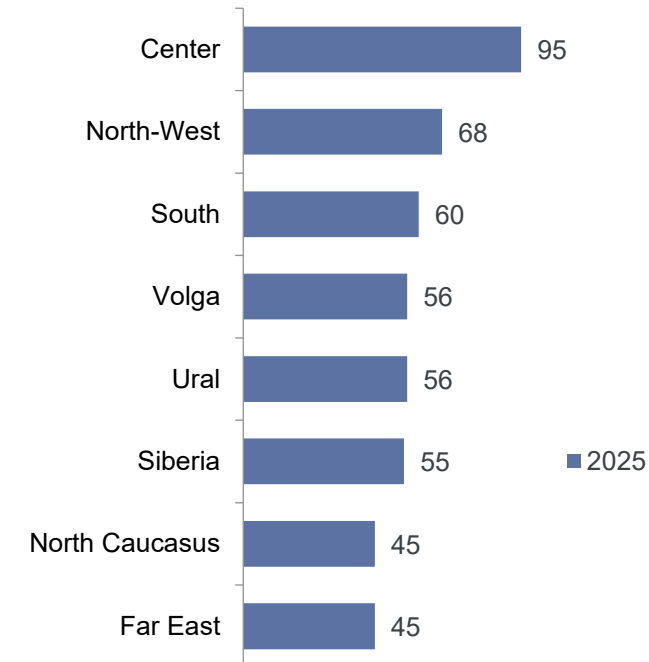
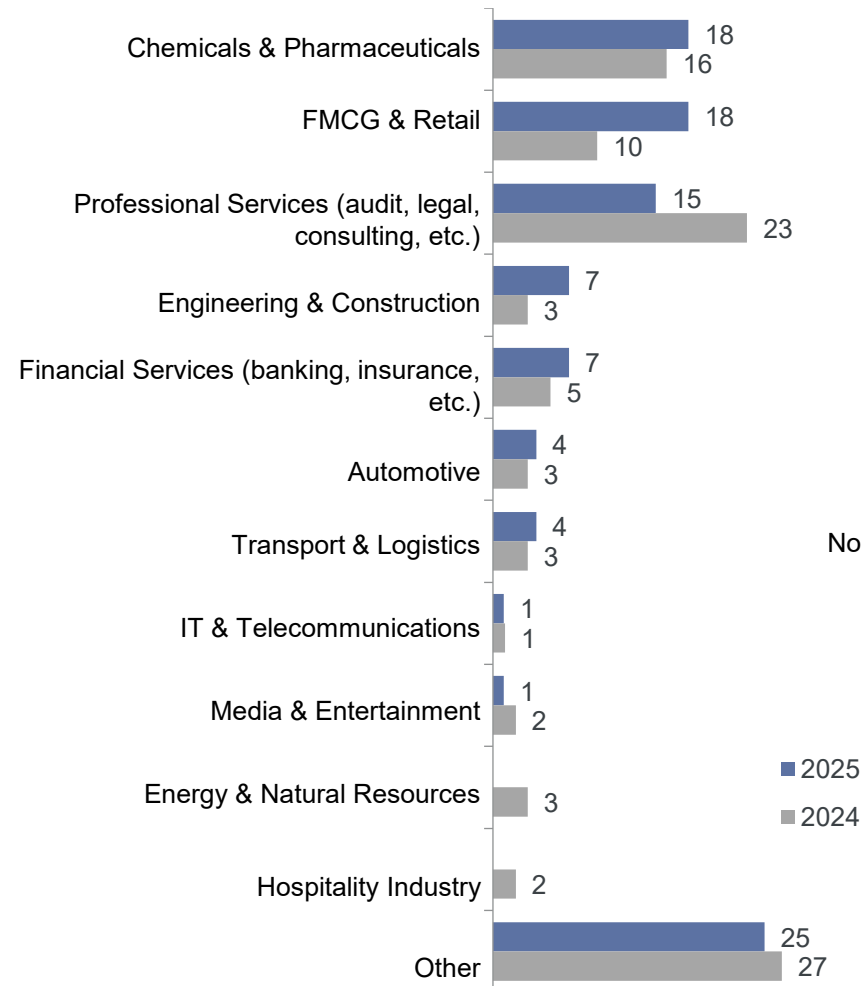
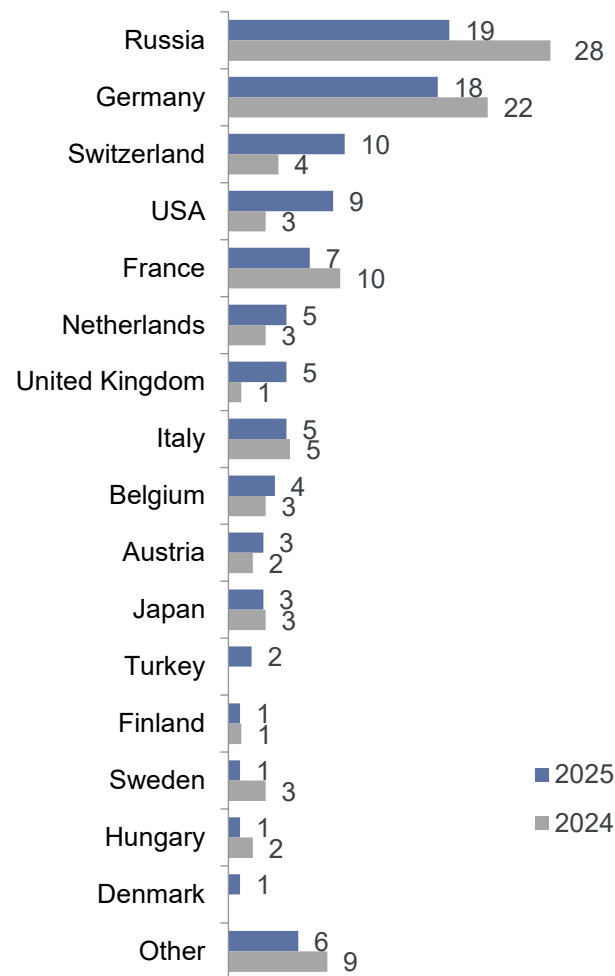
- 100 companies

- Company profiles

Respondents by countries of origin and sectors, %



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Q00. Country of origin. Q1. Please indicate your company's market sector? Q78. What is region(s) of your company's operations / presence?
Base: 100 AEB members (2025) / 94 AEB members (2024)

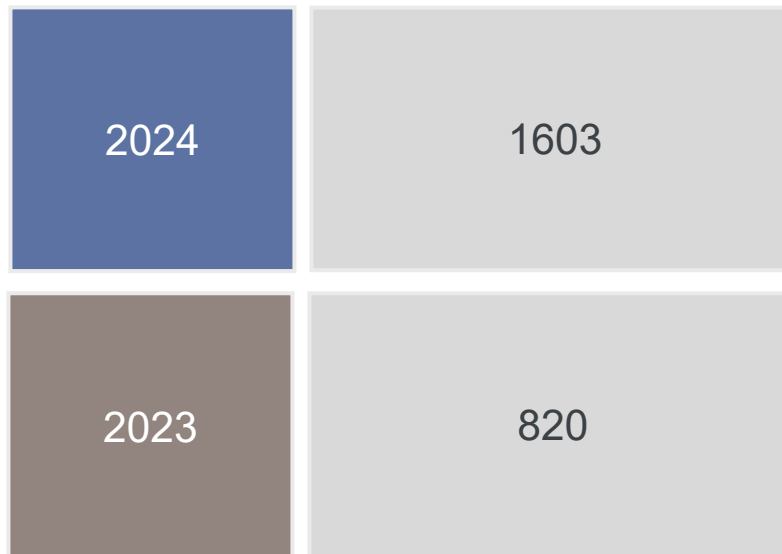
** Many Russian AEB member companies have a share of capital in European countries and/or were founded by citizens of European countries*

Employees

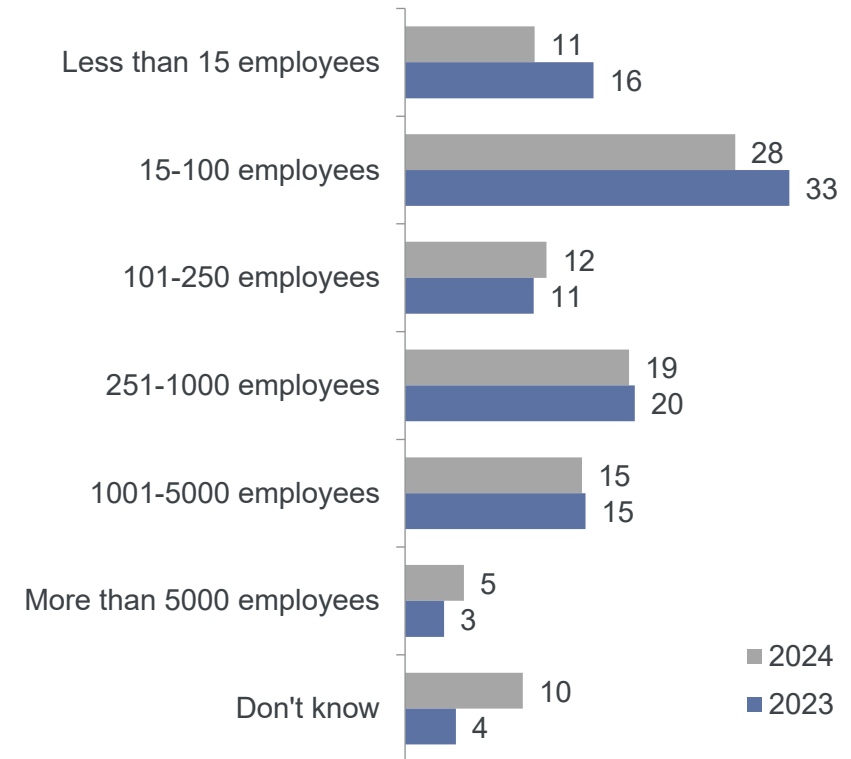


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Average number of employees per company



Size of company



Q2. What is the size of your company in Russia?

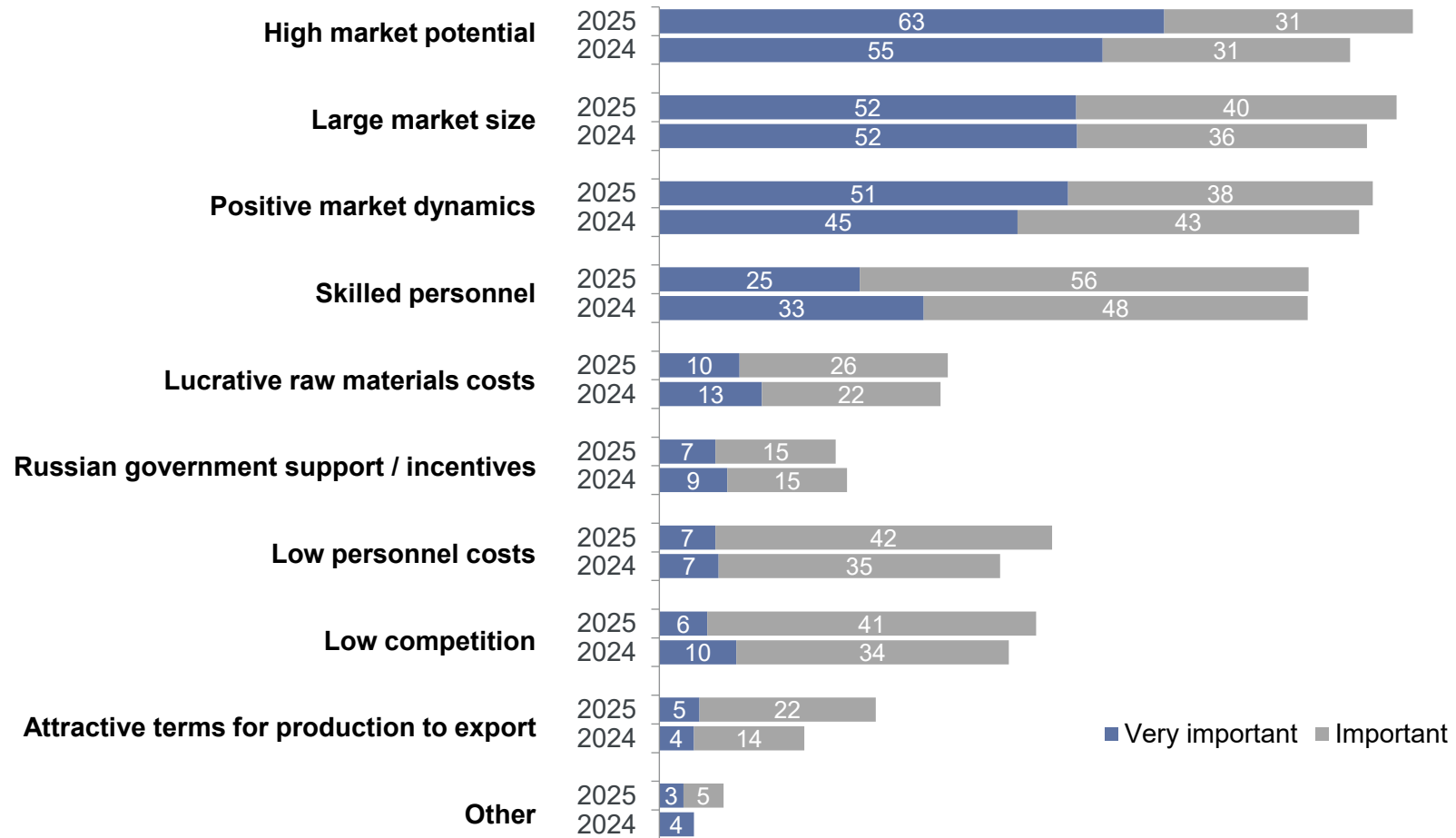
Base: 100 AEB members (2025) / 94 AEB members (2024)

- Market entry

Reasons to enter the Russian market, %



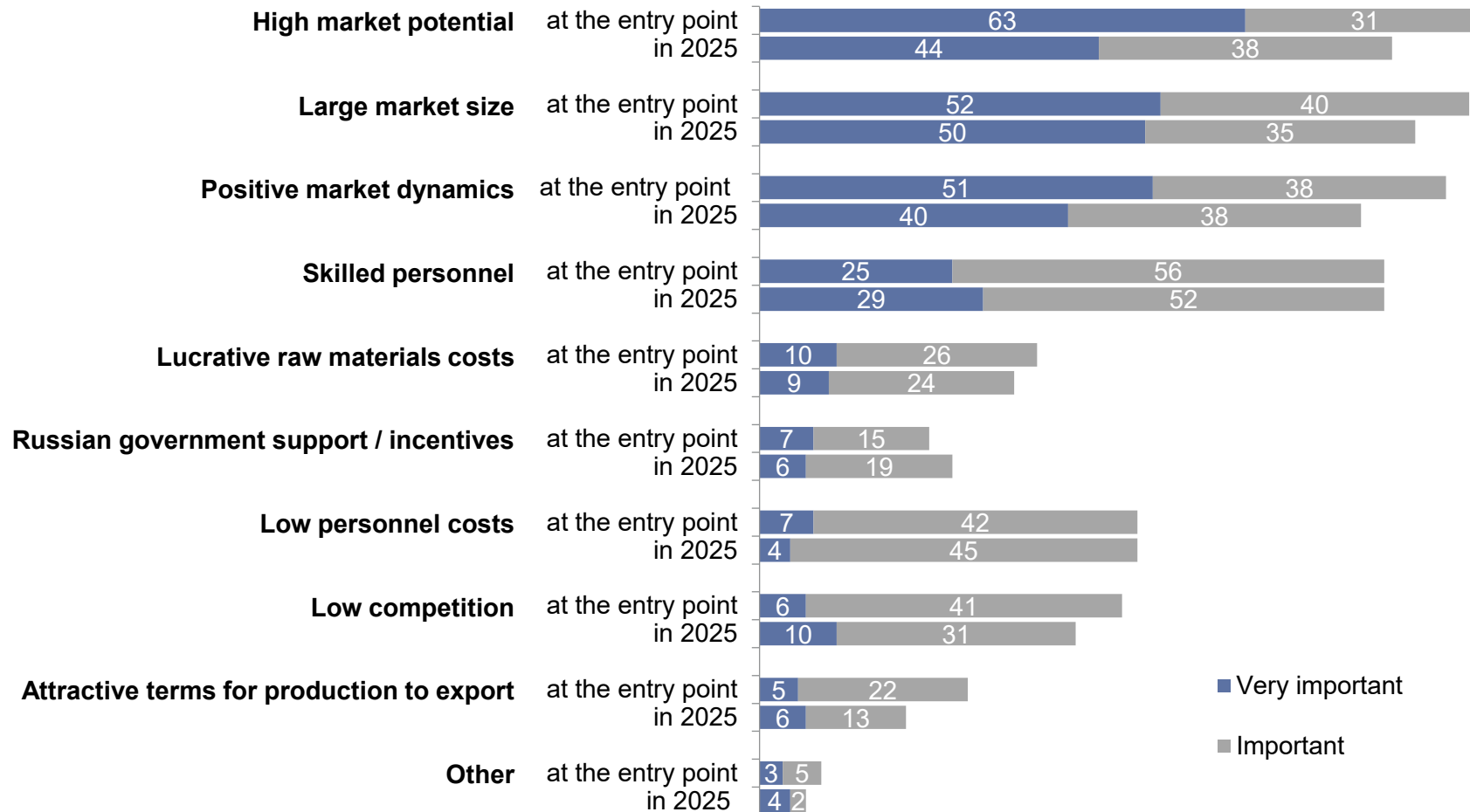
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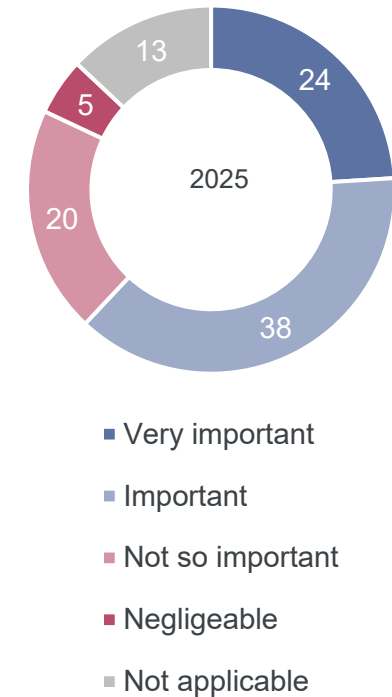
Q5. How important were the following reasons for your initial entry into the Russian market?
Base: 100 AEB members (2025) / 94 AEB members (2024)

Reasons to present on the Russian market today vs reasons to enter the market, %

Reasons of presence on the Russian market today vs at entry point



Importance of Russian business for global business



Q5. How important were the following reasons for your initial entry into the Russian market?
Q6. How important are these reasons for your presence on the Russian market today?

Q79. What is the importance of your Russian business for your global business?
Base: 100 AEB members (2025) / 94 AEB members (2024)

- Prospects for companies and business environment

Main macroeconomic indicators in Russia, %



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	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
Gross Domestic Product*	3,4	1,3	0,6	-3,7	-0,2	1,4	2,3	1,3	-3,1	4,7	-2,1	3,6	3,6
Industrial production index*	3,0	0,4	1,7	-3,4	-0,1	1,0	2,9	2,4	-2,9	5,3	-0,6	3,5	3,5
Retail trade revenue*	6,3	3,9	2,7	-1,6	-4,8	1,6	2,6	2,2	-3,4	7,3	-6,7	6,4	6,4
Per capita income, real*	5,8	3,7	-0,8	-4,0	-5,9	0,8	0,3	0,8	-3,5	3,1	-1,4	4,6	4,6
Unemployment**	4,7	4,1	5,2	5,6	5,6	5,2	4,8	4,6	5,8	4,8	3,7	3,2	3,2
Inflation**	6,6	6,5	11,4	12,9	5,4	2,5	4,3	3,0	4,9	8,4	11,9	7,4	7,4

* The values are given in % relative to the previous year

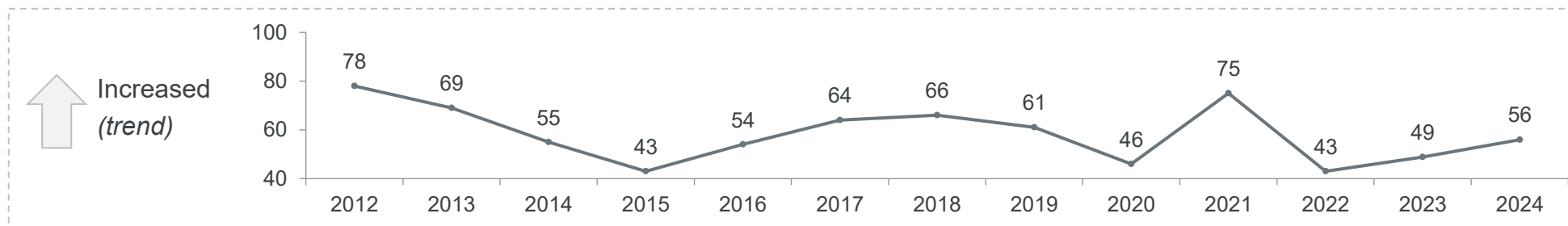
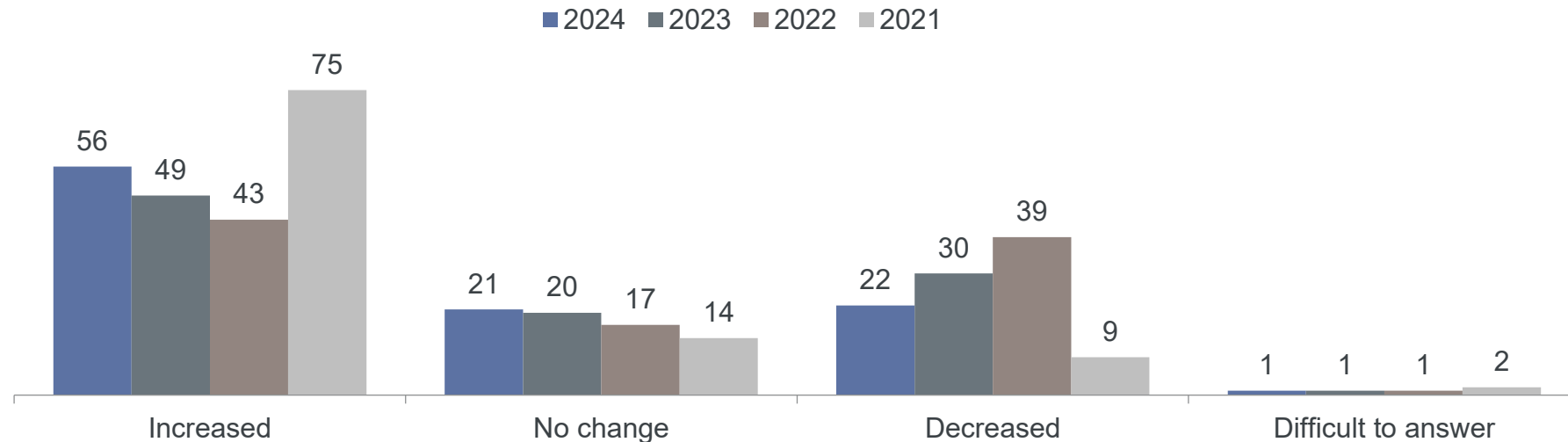
** The values are given in % as of the end of the year

Source: Rosstat

Company turnover compared to previous year, %



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Q4. How did the company turnover in 2024 change as compared to 2023?

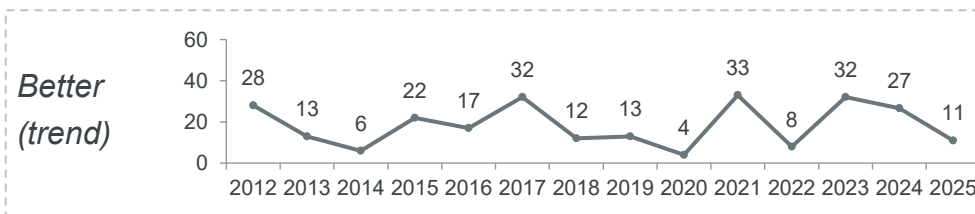
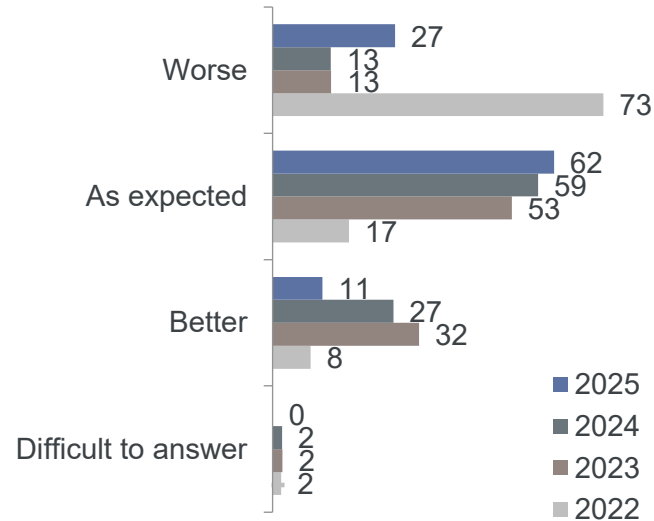
Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

Growth of the economy and business in the first quarter 2025, %

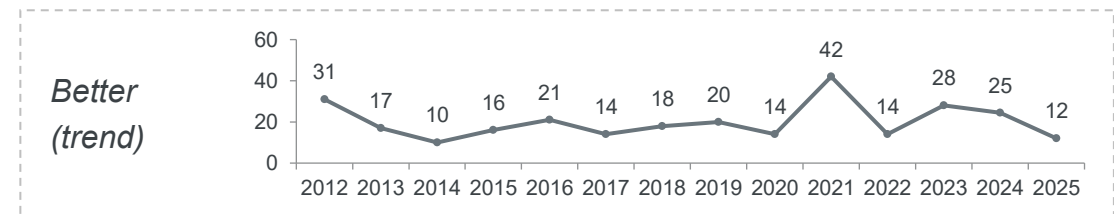
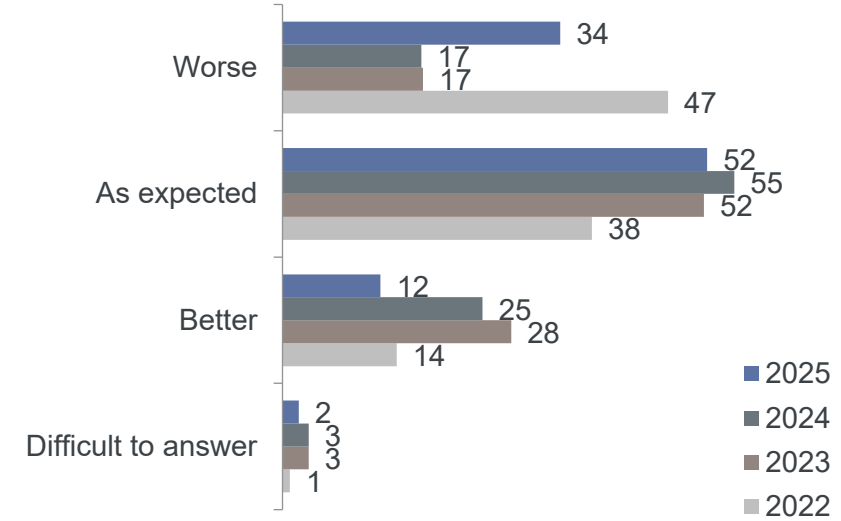


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Expectations regarding the economy



Expectations regarding business growth



Q15. How has the overall state of the Russian economy developed over the first 3 months of this year compared to your expectations at the start of the year?

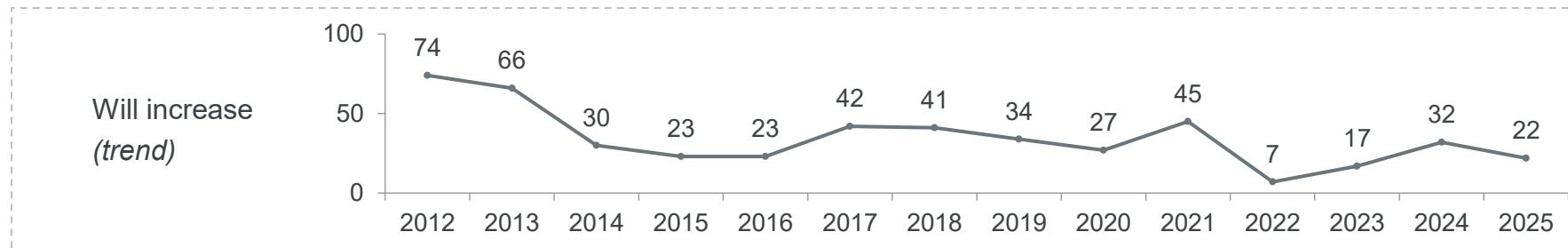
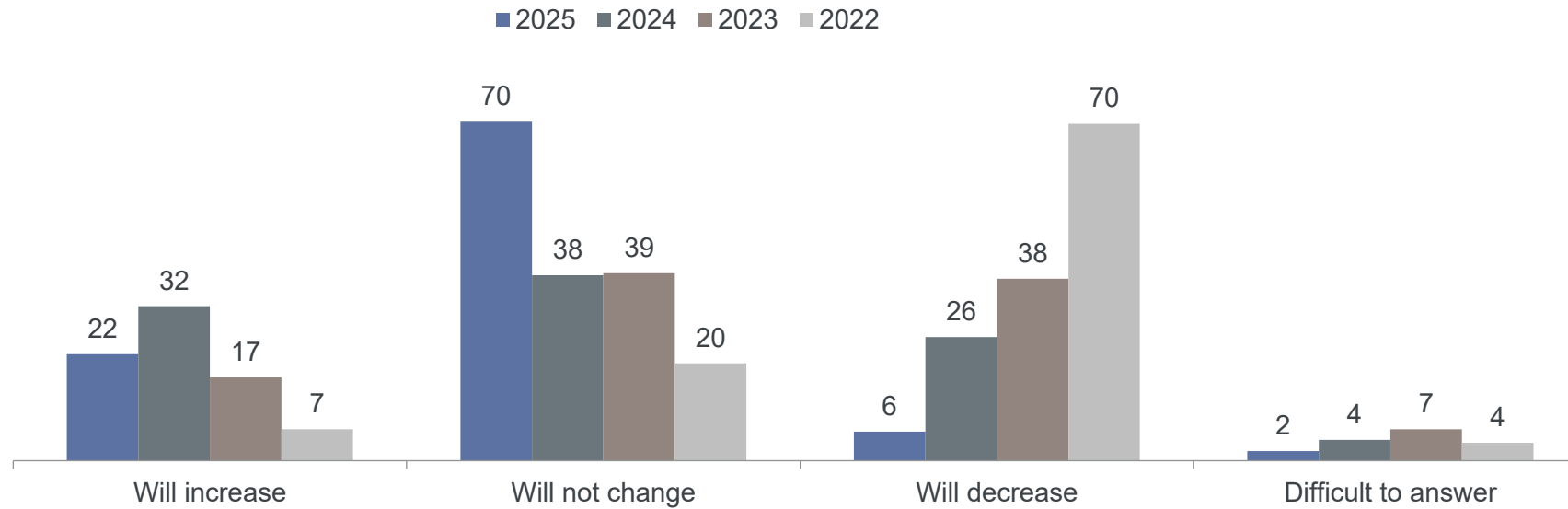
Q19. How do business results in the first 3 months compare to targets?

Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

Investments, %



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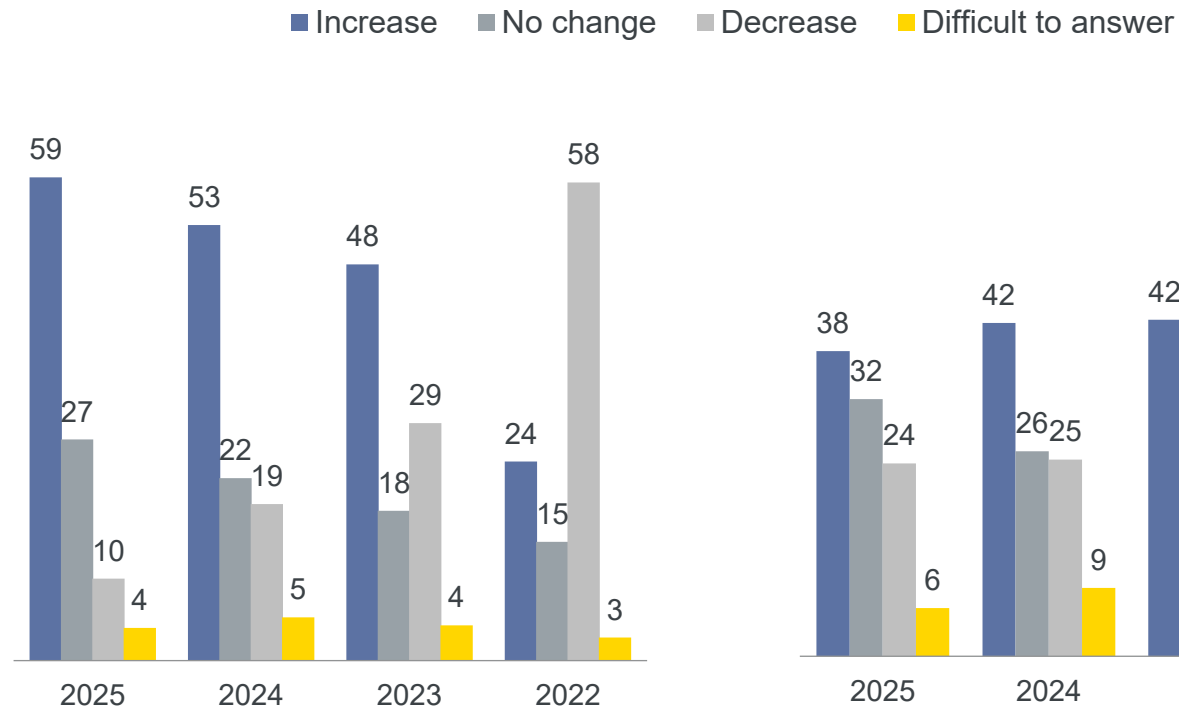


Q13. How do you expect your investments to change in 2025 vs 2024?

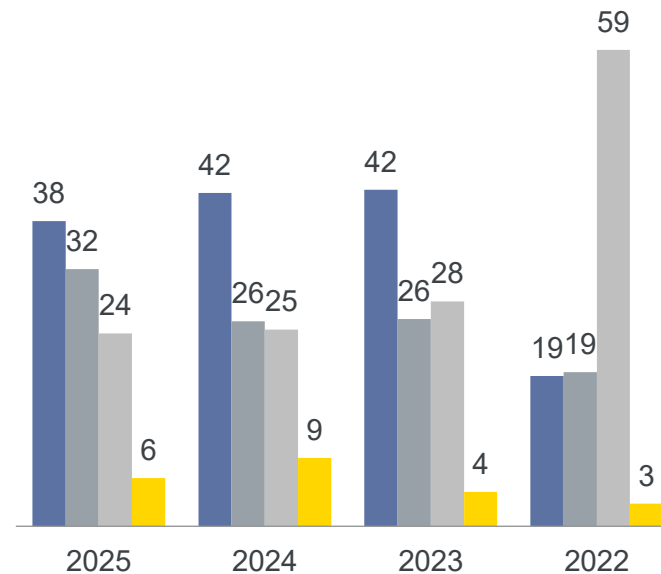
Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

Business outlook for your company in the next three years, %

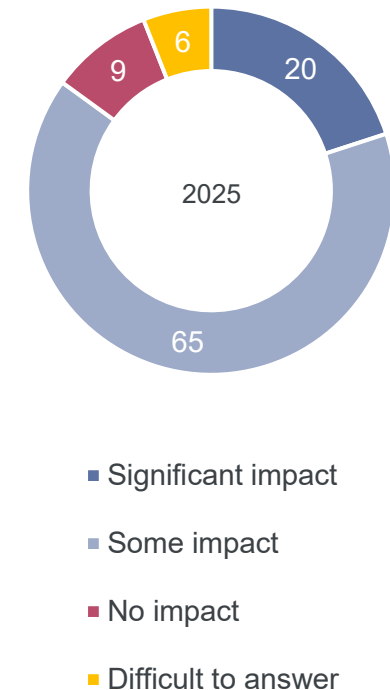
Turnover



Profit



Impact of tax rates on business in Russia



Q20. What is your 3-year forecast for your company's business in Russia?

Q76. Do increased tax rates from 2025 have an impact on your business in Russia?

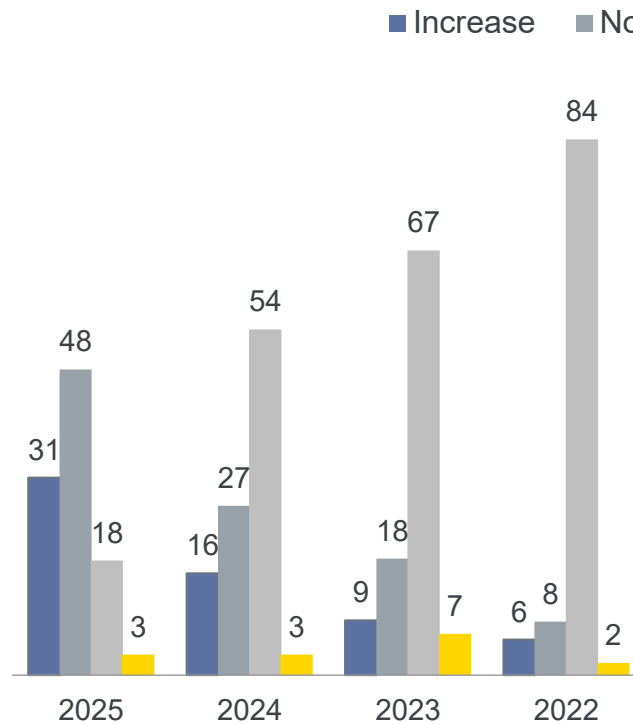
Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

Foreign companies investments in Russia in the next 2-3 years, %

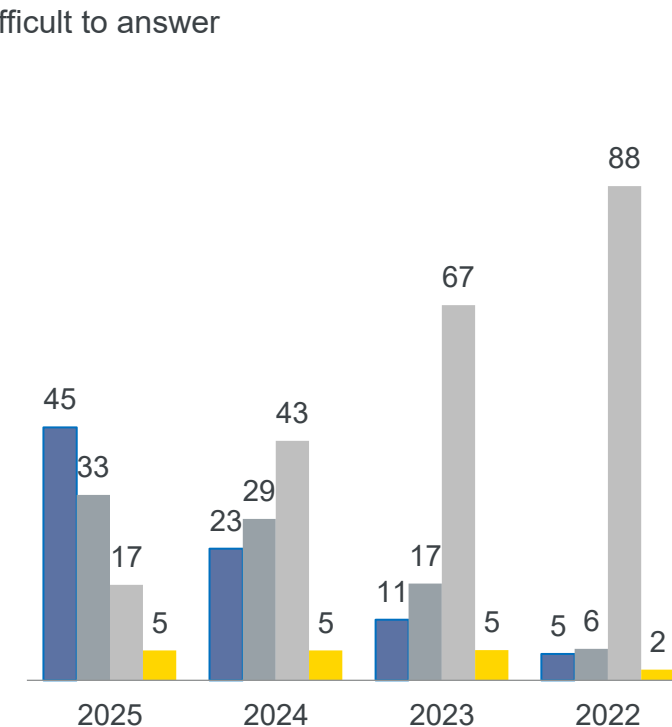


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In your sector



In Russia as a whole



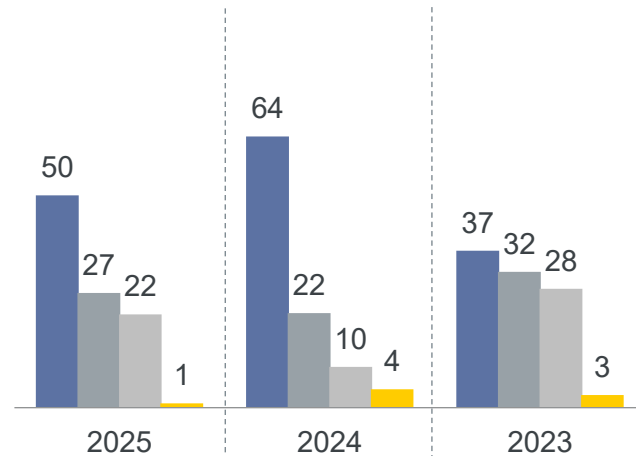
Q17. How do you think investment by foreign companies in Russia will develop over the next 2-3 years?
Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

Economic outlook for Russia in the next 10 years, %



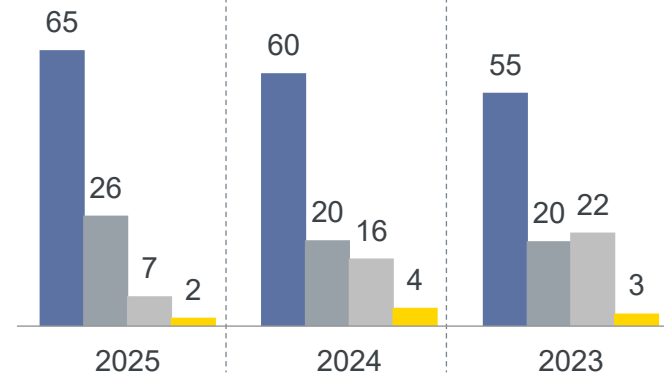
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Short term (1-2 years)

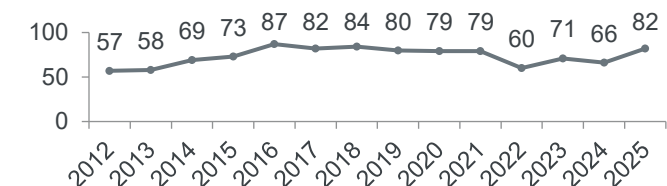
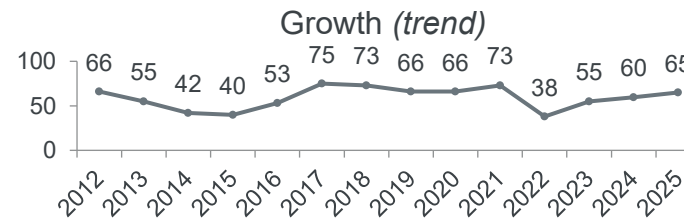
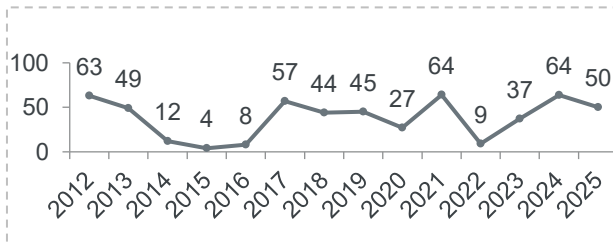
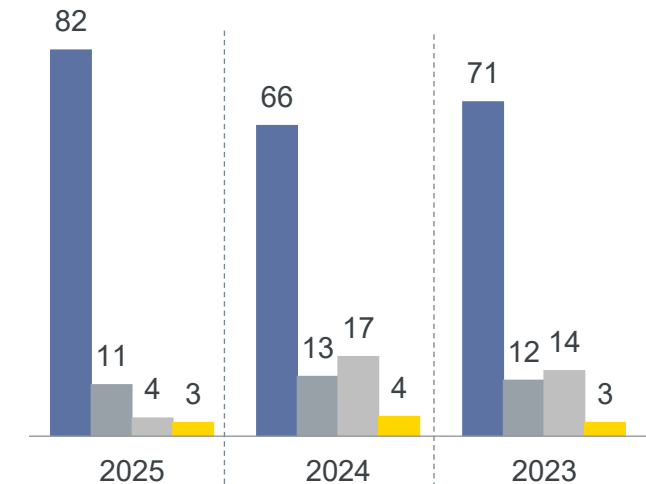


Medium term (3-5 years)

■ Growth ■ Stagnation ■ Decline ■ Difficult to answer



Long term (6-10 years)



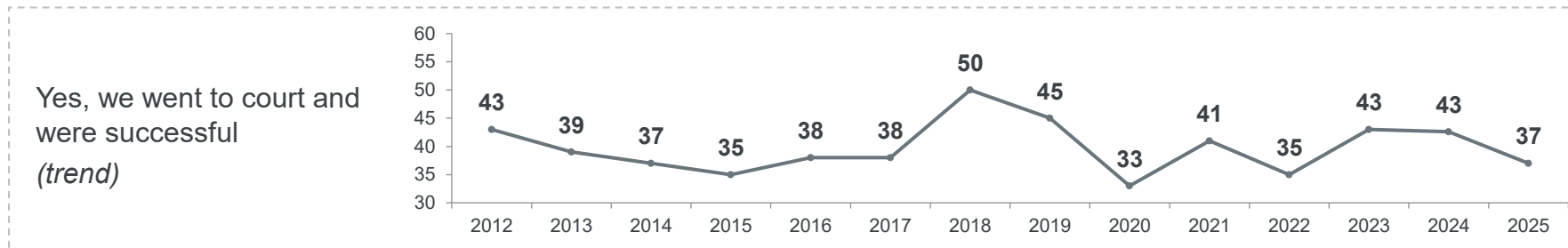
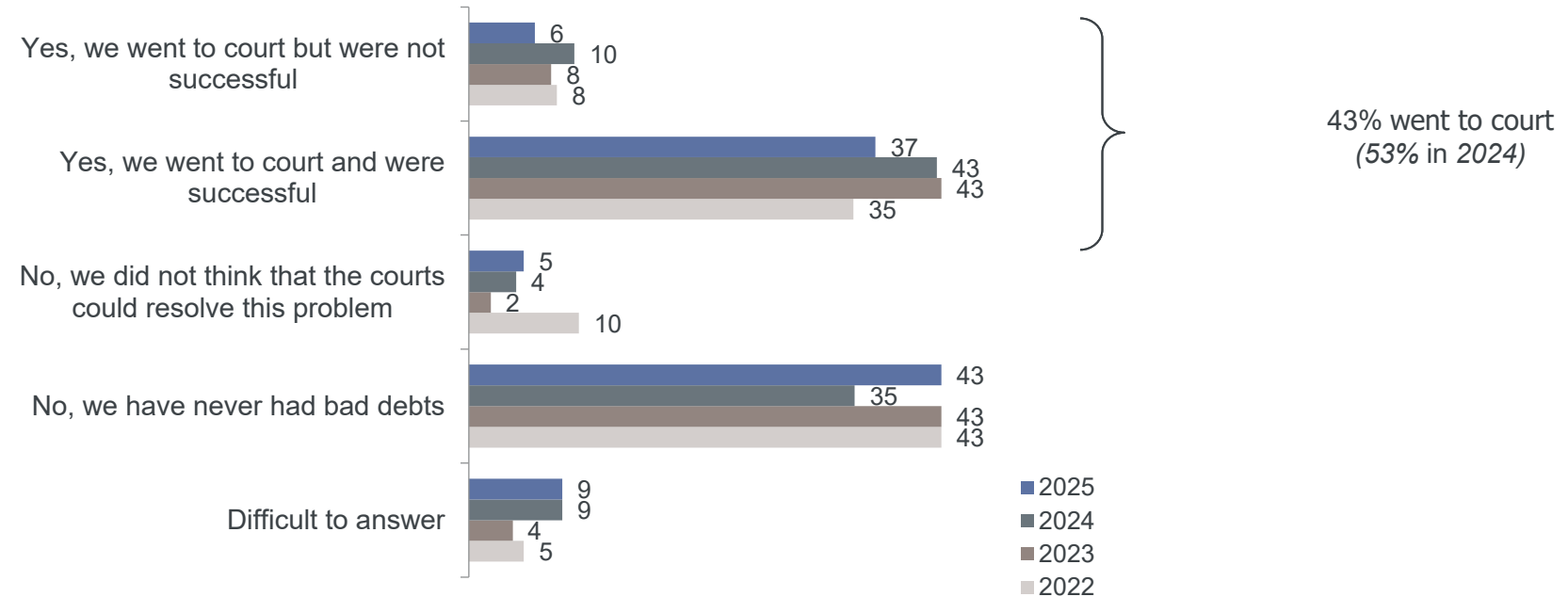
Q16. How would you evaluate the economic outlook for Russia?
Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023)

■ Financing

Delayed payments, %



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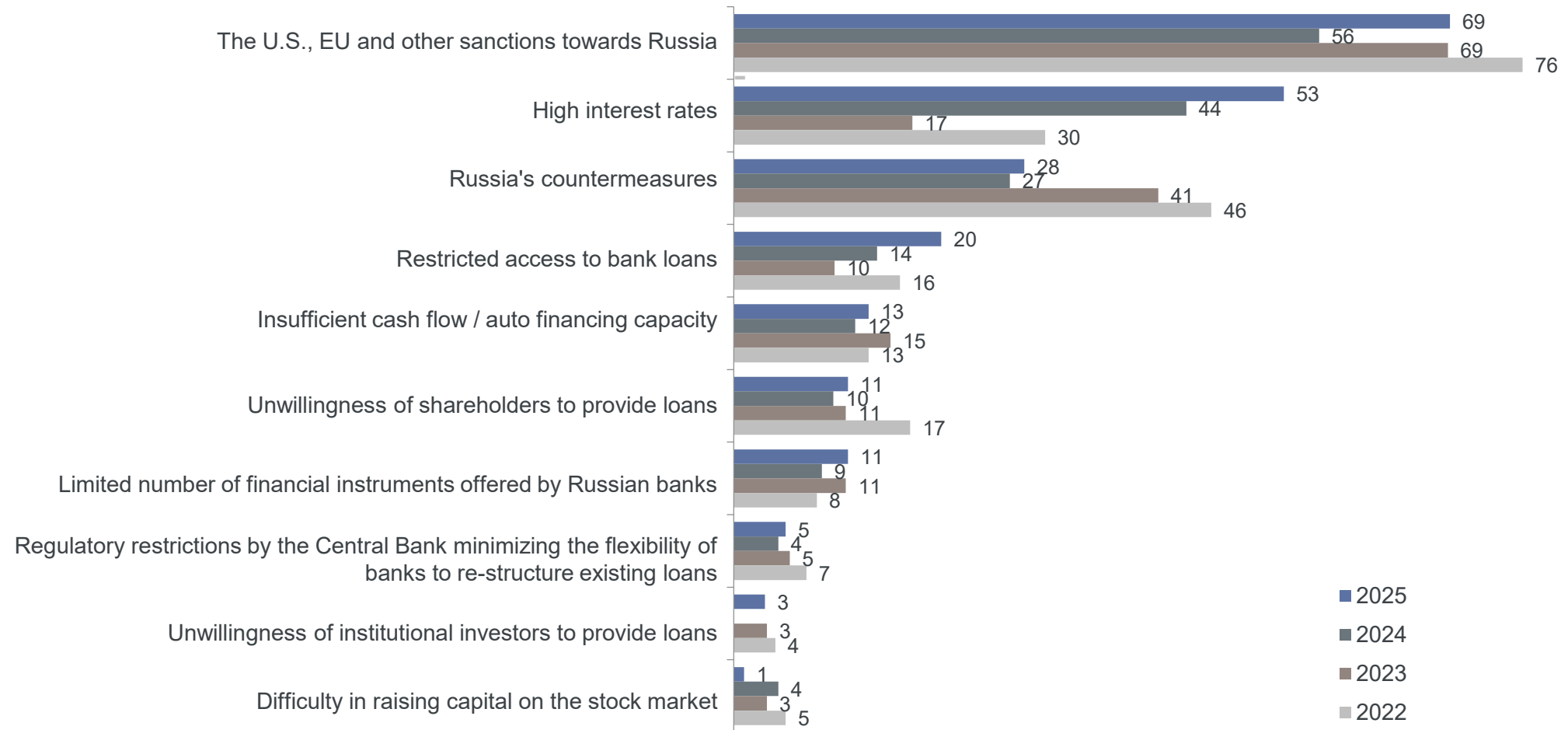
Q10. Have you ever resorted to court action to recover debts?

Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

The most significant barriers to financing, %



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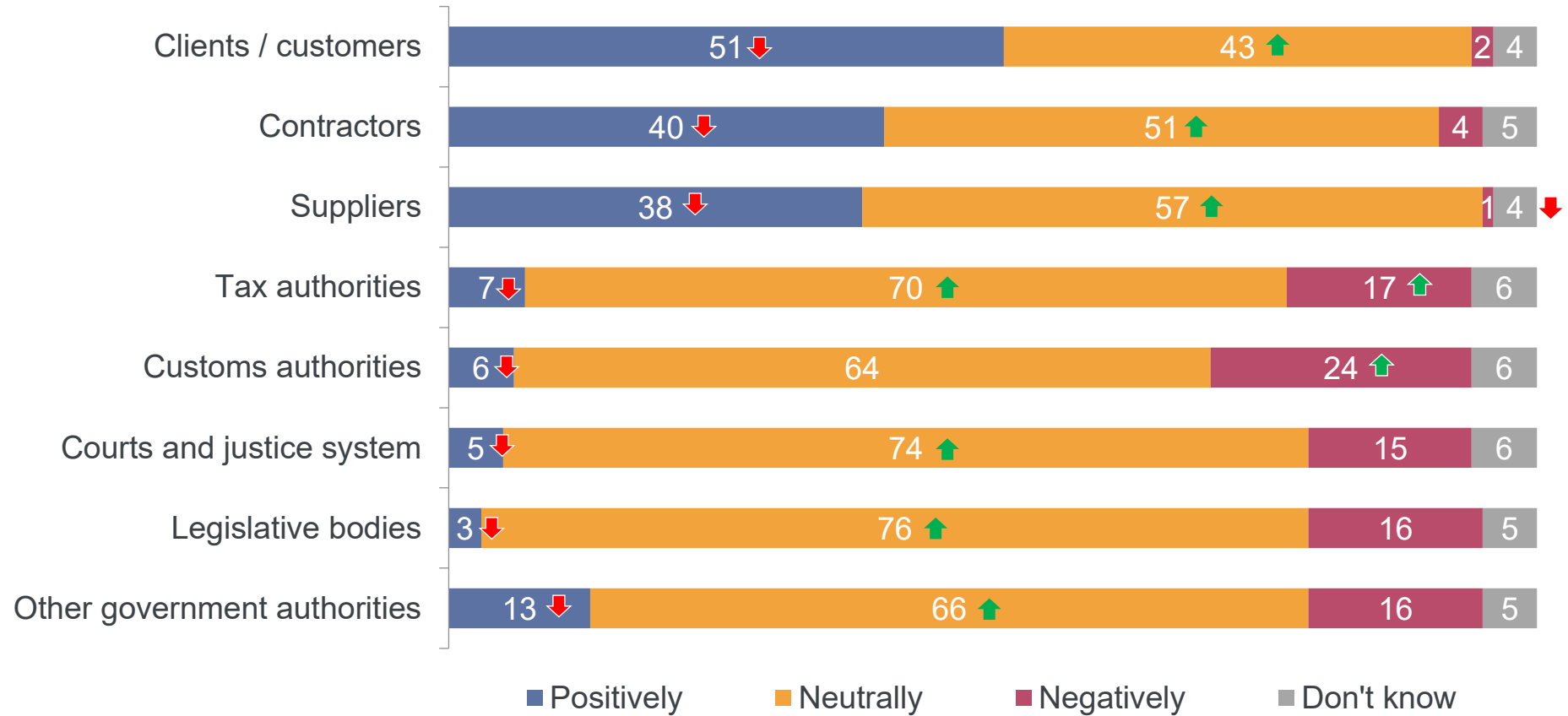
Q14. What do you expect to be the most significant barriers to financing in the current year?

The answer total may exceed 100% as multiple answers are possible.

Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023) / 107 AEB members (2022)

- Perception of business environment

Business culture of counterparts, %



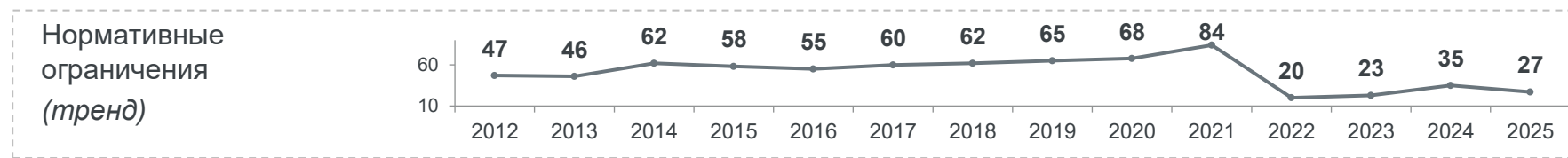
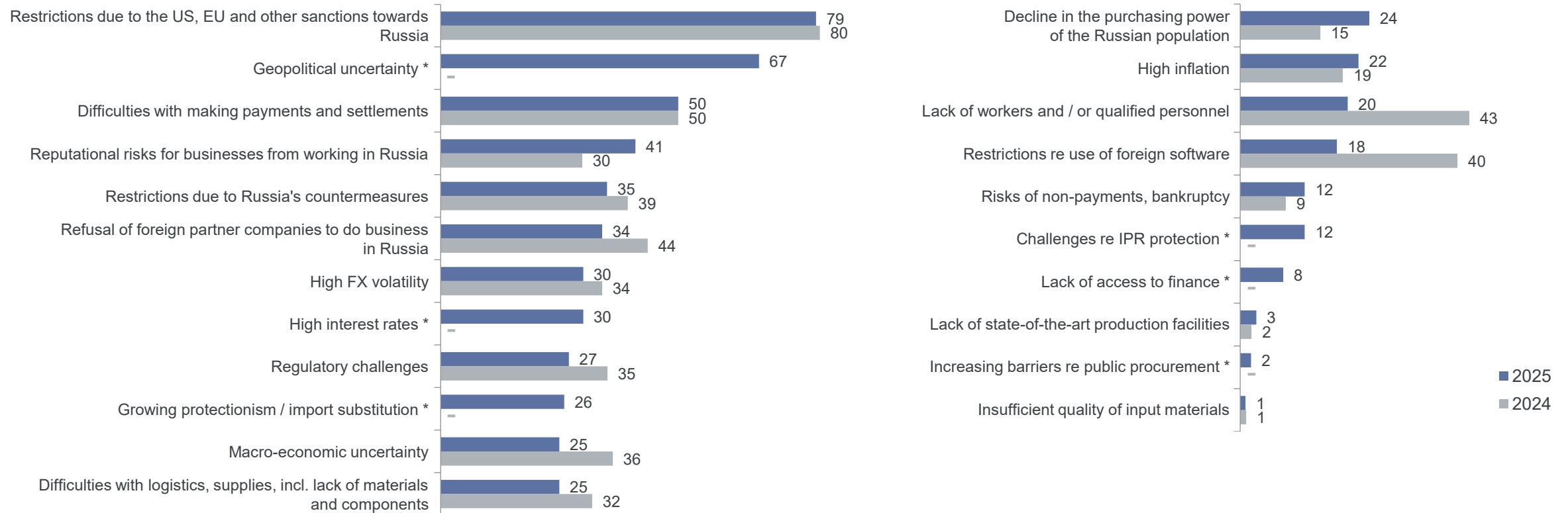
↑ ↓ Significant increase / decrease from 2024

Q7. How would you evaluate the level of business interaction in Russia?
Base: 100 AEB members (2025)

The most significant barriers to business in Russia, %



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Q9. What are the most significant barriers to business (production operations / service provision)?

The answer total may exceed 100% as multiple answers are possible

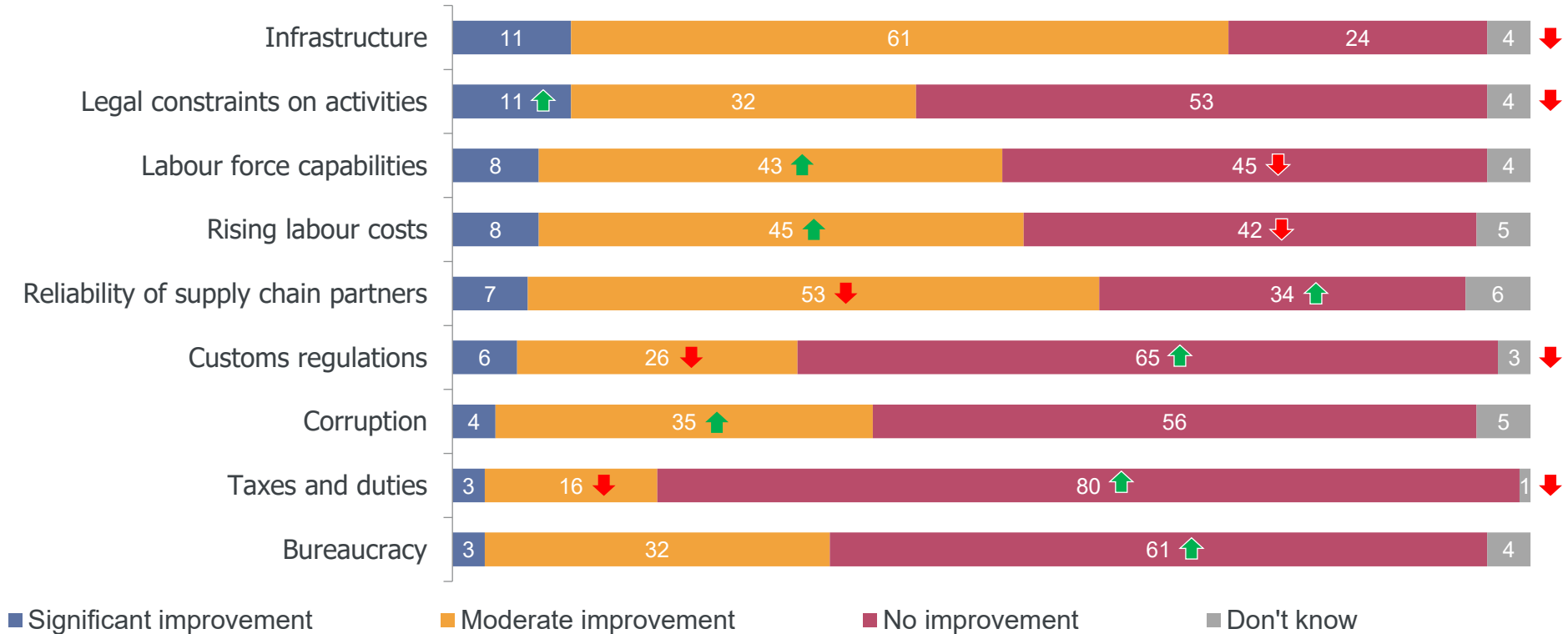
Base: 100 AEB members (2025), 94 AEB members (2024)

* Was added to the questionnaire in 2025

Expectations of improvement in different operating units over the next two years, %



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↑
↓
 Significant increase / decrease from 2024

Q18. What degree of improvement do you expect for each of the following operational challenges over the next two years?
Base: 100 AEB members (2025)

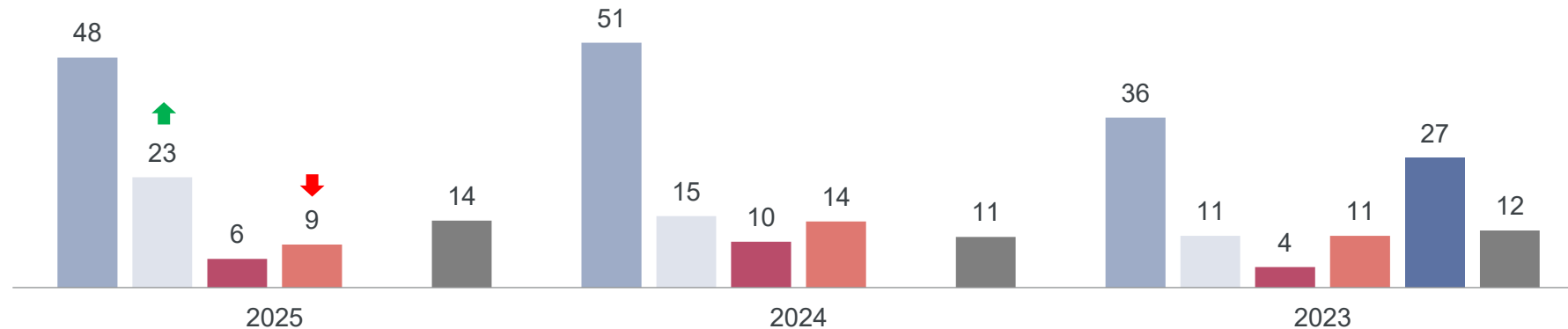
- Sustainable development

Sustainable development strategy in your company, %



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- Yes, our company has developed and approved a sustainable development strategy
- Yes, but it's still under development
- No, but we're planning to develop it in the near future
- No and there are no plans to develop
- Yes, the sustainability strategy was adopted in our company and implemented in the past, but is paused in Russia in 2022-2023 *
- Not sure



↑↓ Significant increase / decrease from 2024

Q35. Does your company have a sustainable development strategy?
Base: 100 AEB members (2025), 94 AEB members (2024), 93 AEB members (2023)
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* The statement was deleted from the questionnaire 2024

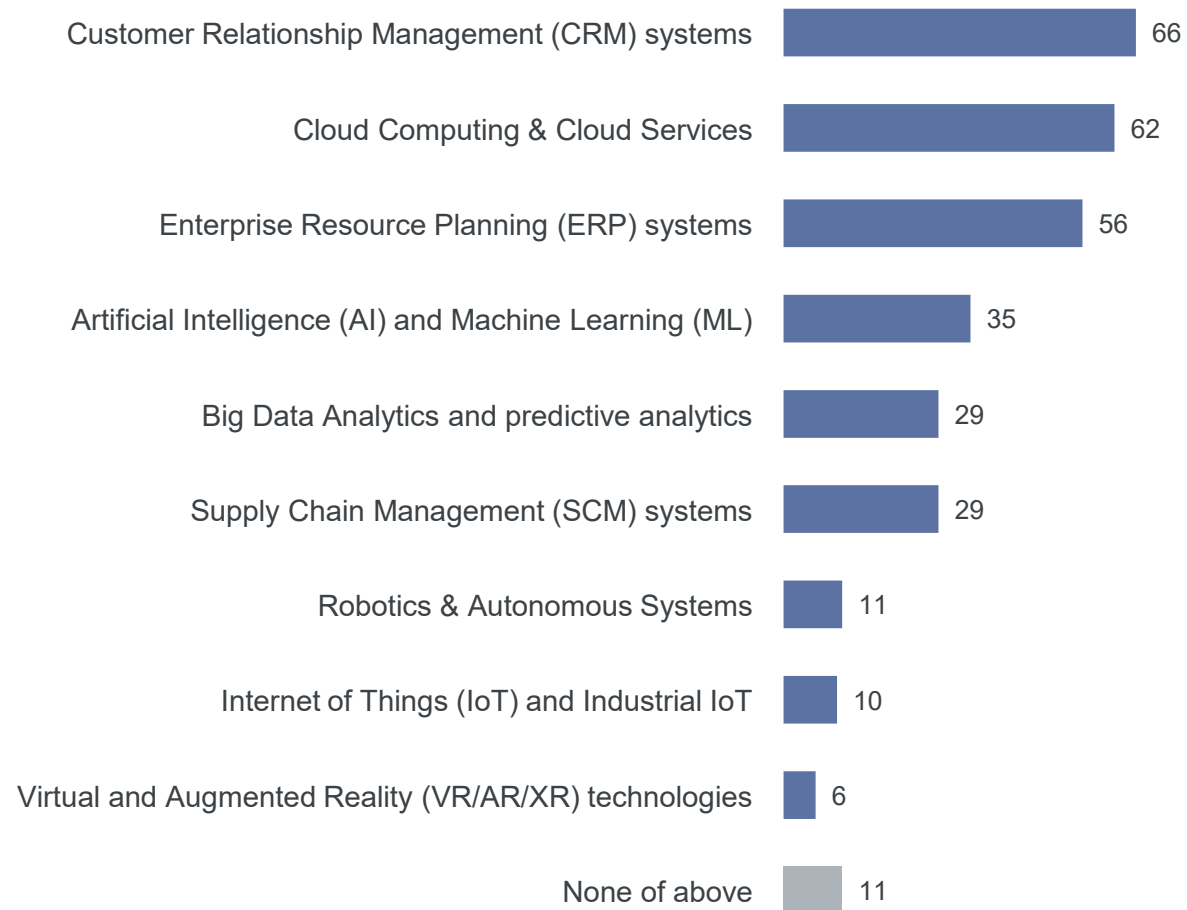
- Technological development

Technological development in a company, %

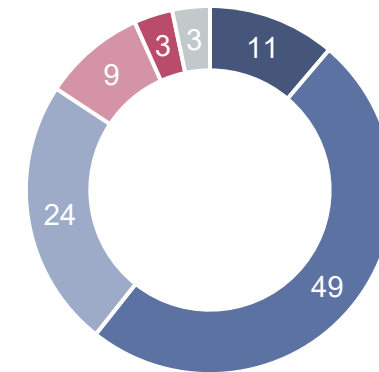


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Digital technologies used in a company



Impact of technologies on competitiveness



- Critical impact
- Significant impact
- Moderate impact
- Minimal impact
- No impact
- Difficult to answer

Q81. Which of the following digital technologies are actively used in your company?
Base: 100 AEB members (2025)

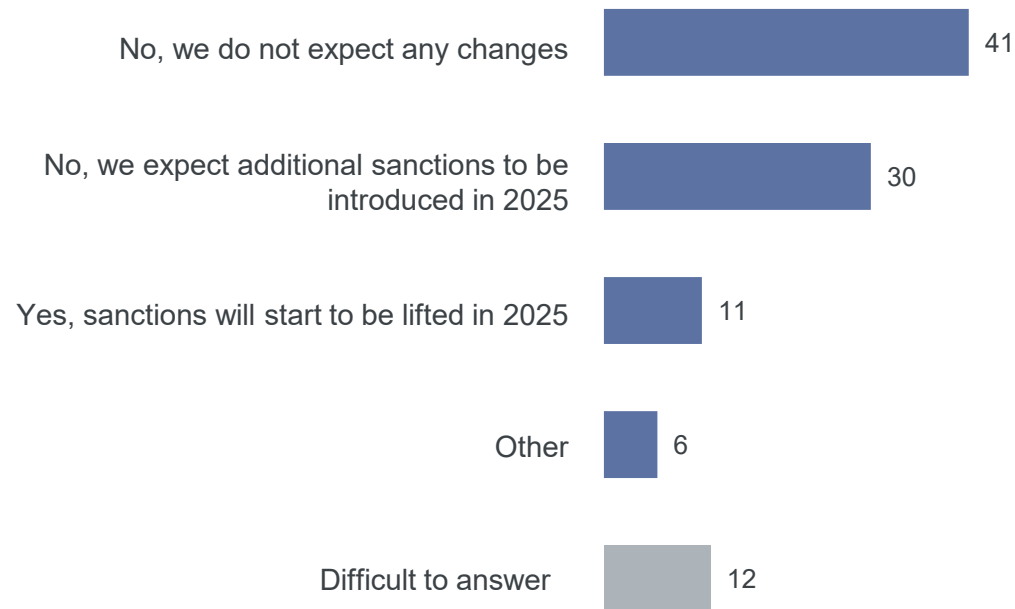
Q82. What is the impact of the digital technologies used on the competitiveness of your company?
Base: those, who use digital technologies, 89 AEB members (2025)

Expectations towards sanctions, approach to company technological development, %



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Expectations with regard foreign sanctions in 2025



Approach to technological development in case of Western sanctions cancellation / easing



Q80. Do you expect any changes with regard to foreign sanctions in 2025?

Q83. If Western sanctions towards Russia are lifted or significantly eased in the near future, what approach to technological development is most likely for your company in the medium term?

Base: 100 AEB members (2025)

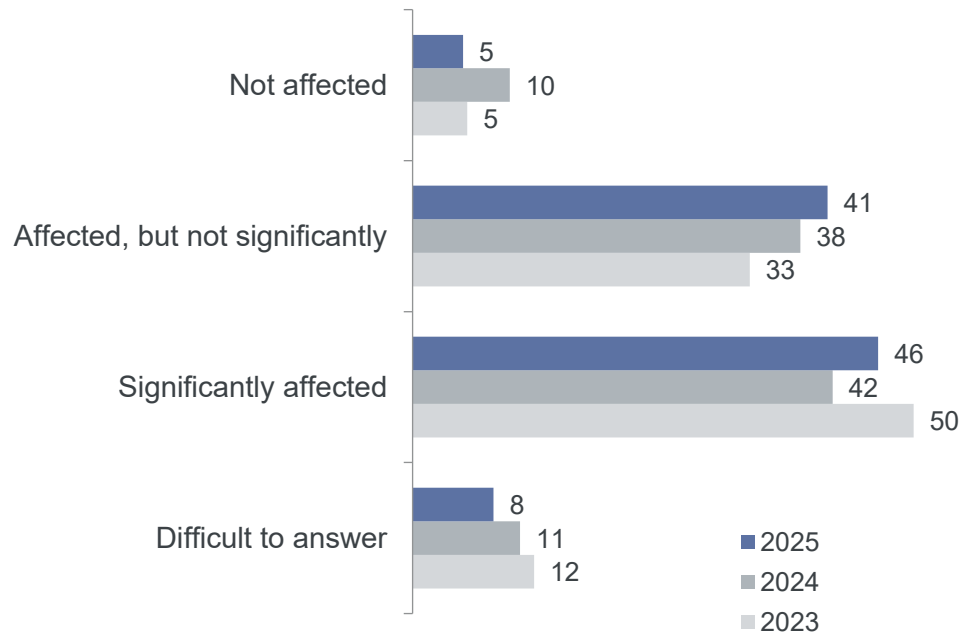
- Sanctions and countermeasures effects on business

Impact of sanctions and countermeasures, %



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Impact on company's business



Q60. Have the U.S., EU and other sanctions towards Russia and the Russian countermeasures imposed in 2022-2025 affected your business in Russia?

Q62. What the U.S., EU and other sanctions against Russia and Russian countermeasures imposed in 2022-2025 have had the most negative impact on your business in Russia?

Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2023)

Sanctions and countermeasures that had the most negative impact on business



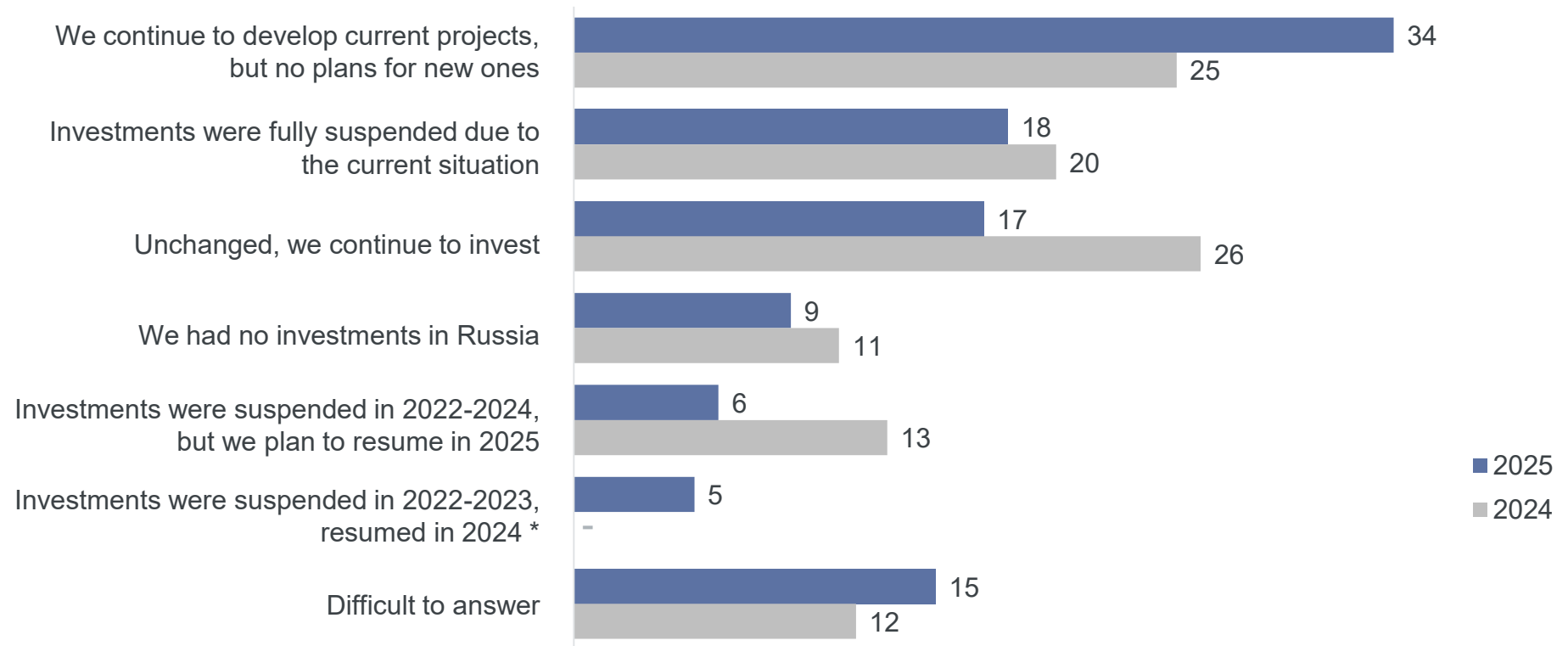
* Was added to the questionnaire in 2024

Changes in company's investment strategy in Russia, %



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Changes in company's investment strategy in Russia



Q64. How has your company's investment strategy changed in Russia?

Base: 100 AEB members (2025) / 94 AEB members (2025)

* Was added to the questionnaire in 2025

New opportunities for business development, risk of closing the business in Russia, %

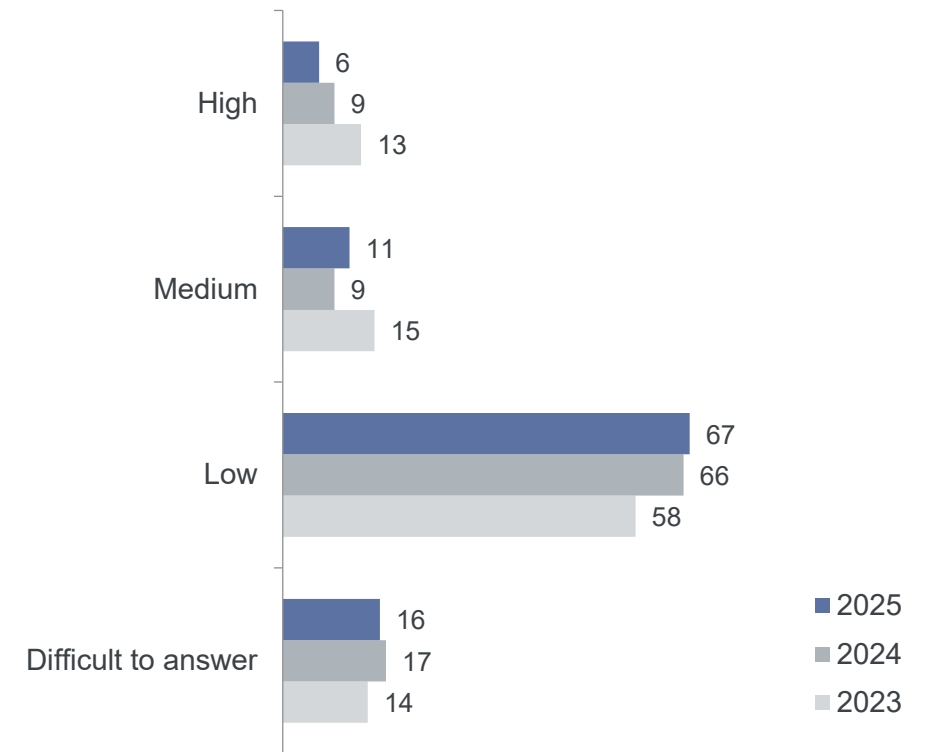


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New opportunities for business development in Russia



Risk of closing the business in the next 12 months



Q71. What new opportunities for your company business development in Russian market do you see?

Q66. How do you assess the risk of closing the business in the next 12 months?

Base: 100 AEB members (2025) / 94 AEB members (2024) / 93 AEB members (2024)

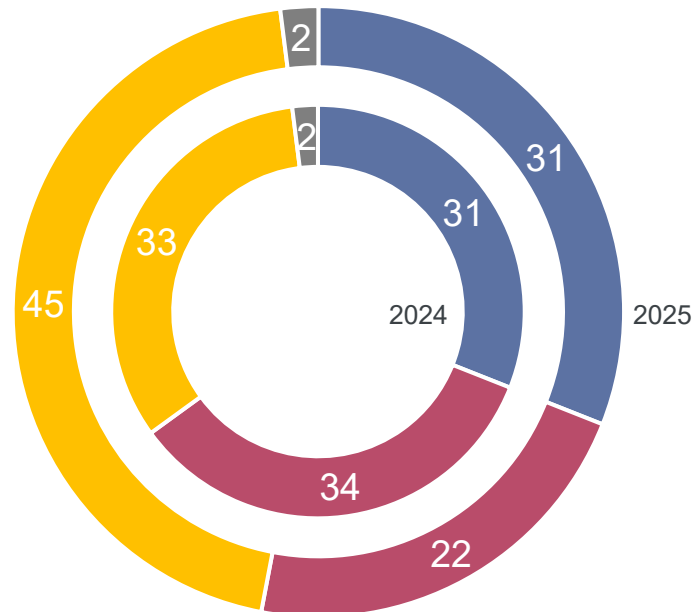
Employees' changes, %



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Changes in the number of employees over the past year

■ Increased ■ Reduced ■ No changes ■ Difficult to answer

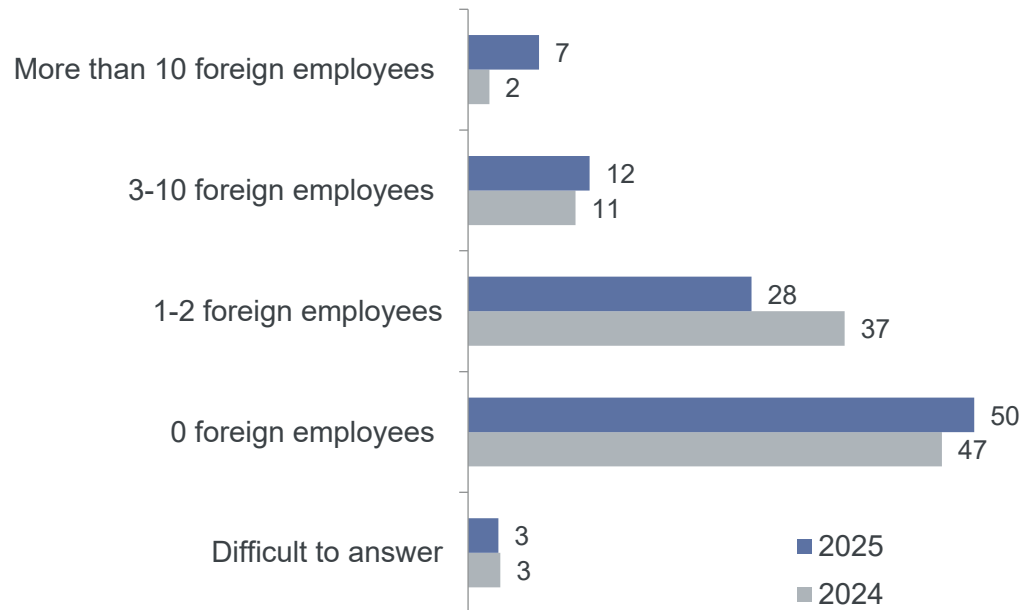


Q72. Was the number of employees in your company in Russia changed over the past year?

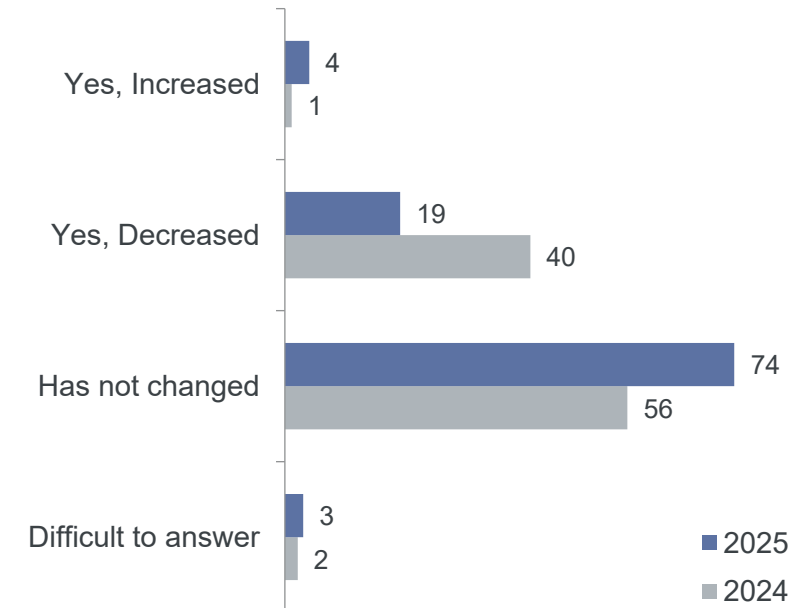
Base: 100 AEB members (2025), 94 AEB members (2024)

Foreign employees, %

Number of foreign highly qualified specialists in the company



Changes in the number of foreign highly qualified specialists due to the current situation



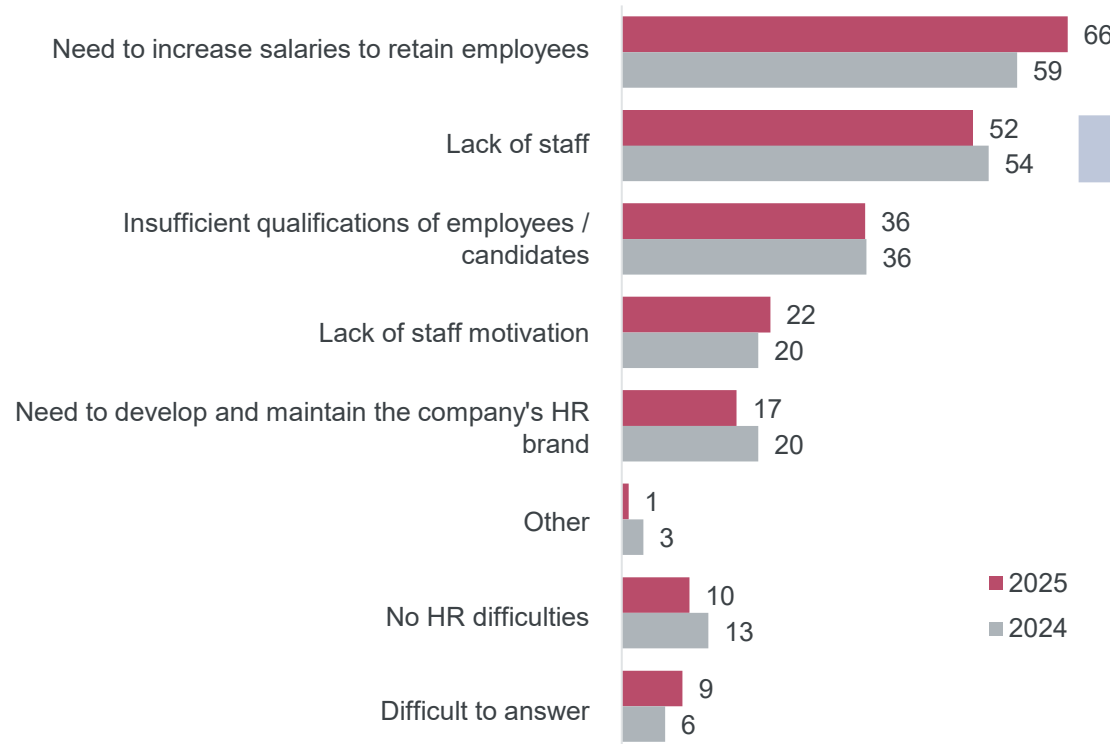
Q69. How many foreign employees (highly qualified specialists) does your company have in Russia?

Q70. Has the number of foreign employees (highly qualified specialists) in your company in Russia changed over the past year?

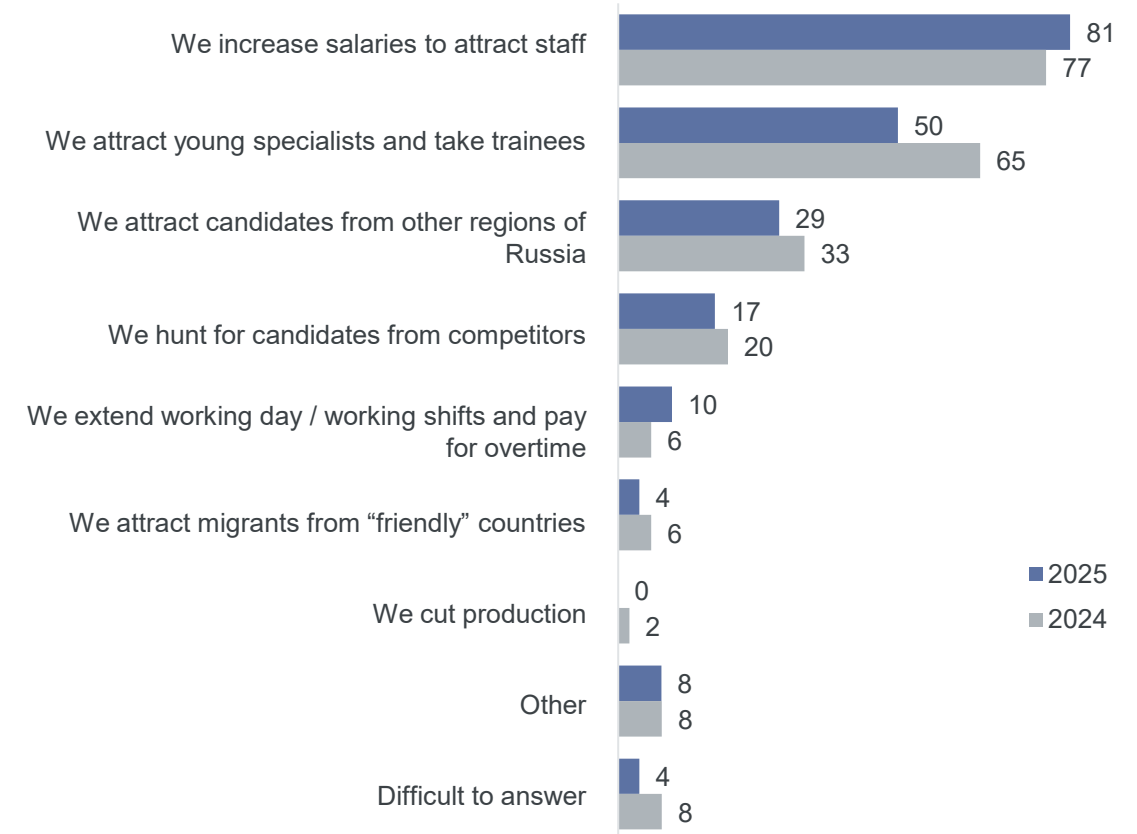
Base: 100 AEB members (2025) / 94 AEB members (2024)

HR difficulties, %

HR difficulties



How do you solve lack of staff?



Q73. What HR challenges did your company face over the past year?

Q74D. How do you solve lack of staff?

Base: 100 AEB members (2025) / 94 AEB members (2024)

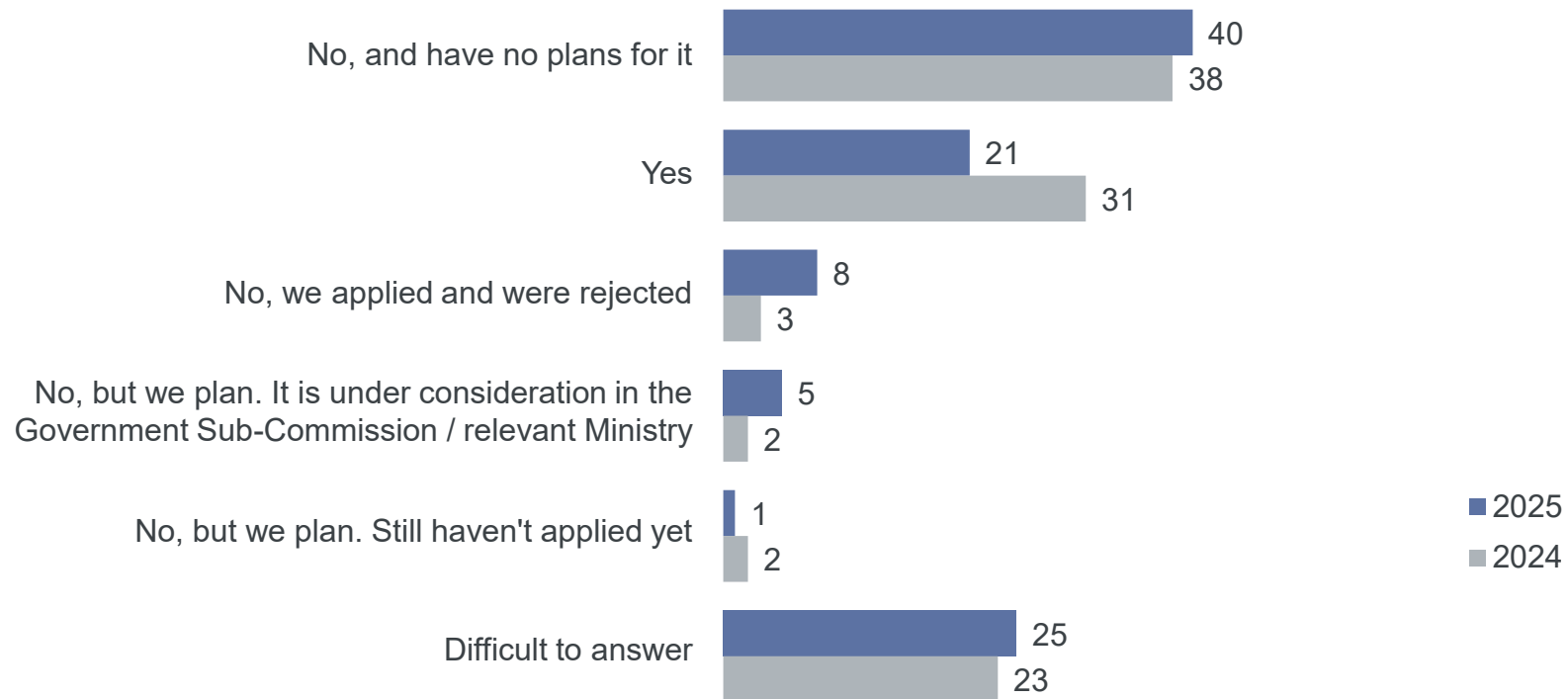
Question base: Companies which faced the problem of the lack of staff,
52 AEB members (2025) / 51 AEB members (2024)

Dividends to the headquarter, %



Association
of European
Businesses

Has your company in Russia transferred dividends to the headquarter abroad after 24 February 2022?



Q74. Has your company in Russia transferred dividends to the headquarter abroad after 24.02.2022?

Base: 100 AEB members (2025) / 94 AEB members (2024)



Thank you for your time!