

2,000 German companies have pulled out of Russia



German companies are continuing to withdraw from Russia, winding up operations in the wake of US sanctions and the decline of solvent demand.

In the five years since Russia annexed Crimea, its relations with the West have deteriorated sharply, and nearly 2,000 German companies have left the Russian market, Deutsche Welle reports, citing data from the Russian-German Foreign Trade Chamber.

At the end of 2019, 4,274 companies with German capital were operating in Russia, as opposed to 6,200 in 2014.

In the past year, the number dropped by 8% or 370 companies.

“America should stop continuing the spiral of sanctions at the expense of German and European companies,” lamented Matthias Schepp, head of the chamber. As an example, he cited the Nord Stream 2 project, which cost €10 billion and is now under sanctions, with only 160 km of pipeline remaining.

The sanctions war with the West has frozen the flow of new German investments into Russia, the Bank of Russia’s statistics confirm.

At the start of 2014, German businesses held \$18.9 billion in Russia as direct participation in the capital of Russian companies and debt instruments, and by summer 2019 the amount was virtually unchanged (\$19.2 billion).

Russia appreciates German companies’ willingness to operate in the country “whatever the political situation,” said Russian President Vladimir Putin on December 6 at an annual meeting with delegates of the German Committee on Eastern European Economic Relations, which unites more than 200 enterprises, including major industrial unions. Putin claimed that the Russian government has managed to ensure “macroeconomic stability” in the country, with the GDP growing and inflation (3.2%) and unemployment (4.6%) reaching record lows.

“We are interested in ensuring that foreign, including German, businessmen feel as comfortable as possible in the Russian market. We are taking measures to improve the business and investment climate in our country,” said the Russian president.

Source: <http://uawire.org/2-000-german-companies-have-pulled-out-of-russia>

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