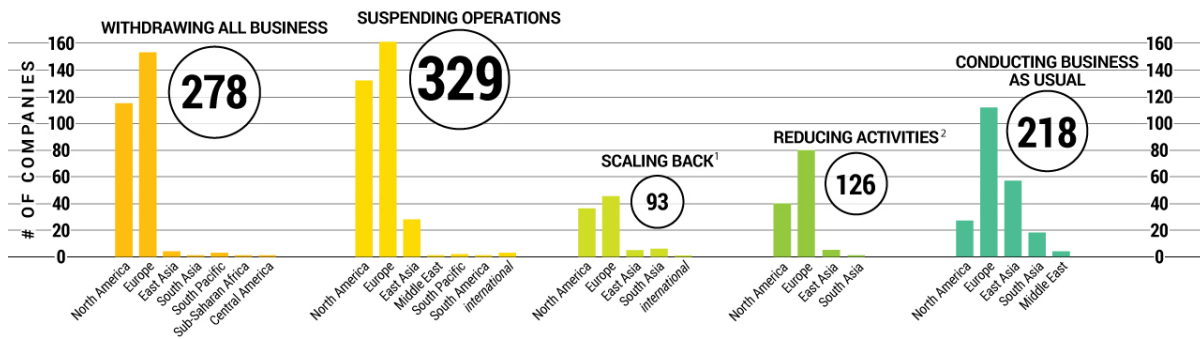


# Russian Attitudes Toward Multinationals' Departures

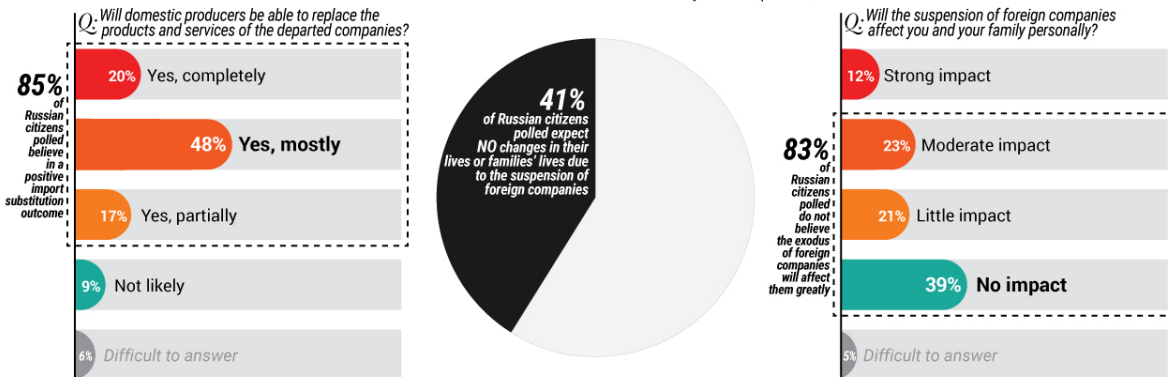
by Geopolitical Futures - April 15, 2022

## COMPANIES EXIT RUSSIA | WHAT DO RUSSIANS THINK?

5 categories of business activity in Russia since the invasion of Ukraine, as of April 13, 2022



Russian citizens do not seem too concerned about the exodus, as of April 11, 2022



1. Scaling back = Companies that are scaling back some significant business operations but continuing some others.  
 2. Reducing activities = Companies postponing future planned investment/development/marketing while continuing substantive business.  
 Sources: WCIOM, Yale School of Management

[\(click to enlarge\)](#)

Sanctions pressure on the Russian economy has increased significantly since the start of the war in Ukraine. Fearing sanctions or a domestic backlash, many foreign companies have withdrawn from Russia, or suspended or reduced activities in the country. In Russia, this will significantly affect large retail chains and companies that depend on imports of components. The most vulnerable sector, though, is the automotive industry, which relies almost entirely on imported auto parts. Clothing, footwear, and telecommunications equipment are also heavily reliant on imports.

Yet Russian consumers are optimistic. Buyers are switching to homemade products or goods from

Eurasian Economic Union countries, especially Belarus. Smaller firms, no longer facing competition from international giants, see the chance to expand. Over the medium term, import substitution could even benefit the Russian economy. At the same time, trade theory suggests the substitution process will be slow and costly. Replacements for some inputs won't exist and will have to be made from scratch. Many substitutes, by definition, will be inferior to their Western counterparts. And substitution entails diverting scarce resources from other areas of the economy. Above all, Russian consumers will have to be patient.

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