



Overall performance

Russia's permit systems support the creation of new businesses through low start-up costs and efficient property registration processes. This encourages the entry of new businesses, including infrastructure ones, increasing competition as a result. Despite a solid fiscal position, overall infrastructure investment in Russia ranks as the second lowest among Upper Middle Income Countries. To increase infrastructure investment Russia could improve taxation incentives aimed at encouraging investment, strengthen creditors' protections and conduct market sounding prior to help the government determine if private financing is available.

| Drivers | Rank (/16) | Rank change (2017-20) | Score (/100) | Emerging | Aspiring | Contender | Top performer | Global leader |
|-----------------------|------------|-----------------------|--------------|-------------|-------------|-------------|---------------|---------------|
| Governance | 38 | ↑ 2 | 55 | Light Blue | Light Blue | Light Blue | Light Blue | Light Blue |
| Regulatory frameworks | 52 | ↓ 5 | 54 | Green | Green | Green | Light Blue | Light Blue |
| Permits | 13 | ↓ 2 | 85 | Blue | Blue | Blue | Blue | Blue |
| Planning | 51 | ↑ 7 | 43 | Grey | Grey | Grey | Light Blue | Light Blue |
| Procurement | 28 | ↑ 9 | 82 | Light Green | Light Green | Light Green | Light Green | Light Green |
| Activity | 73 | — | 12 | Dark Green | Grey | Grey | Light Blue | Light Blue |
| Funding capacity | 38 | ↑ 7 | 37 | Orange | Orange | Light Blue | Light Blue | Light Blue |
| Financial markets | 42 | ↑ 10 | 32 | Yellow | Yellow | Light Blue | Light Blue | Light Blue |

Russia at a glance



\$11,163
GDP per capita
(USD, 2019)



146.7 million
Population
(2019)



2.8% of GDP*
Infrastructure investment
(2019 estimate)



1.5% of GDP
Infrastructure gap
(2019 estimate)



73.8
Infrastructure quality
(0-100, 100 is best, 2019)



\$794 million**
Private infrastructure investment
(5-year average, USD, 2019)

*Compared to Oxford Economics data, Russia's InfraOne Research states this to be 4.5 per cent of GDP in 2019.
**Compared to IJ Global data, Russia's InfraOne Research states this to be \$37.5 billion in 2019.

Top performing metrics



98.2/100
Cost to start a business

The cost of starting a business in Russia is 0.9% of income per capita, well below the Upper Middle Income average of 11%, easing the entry of new firms.



87.5/100
Registering property

In Russia it takes 14 days to register a property, well below the 22 day Upper Middle Income Countries' average. As infrastructure projects often involve some transfer of property rights, an efficient registration process reduces project cost and risk.



87.1/100
Gross government debt

Russia's gross government debt amounts to only 16% of GDP, the second lowest among countries covered in InfraCompass 2020. The COVID-19 pandemic may impact this, but Russia's government is currently in a strong fiscal position to fund infrastructure.

Opportunities to grow



35/100
Financial depth

Russia's score for financial depth is below the average for Upper Middle Income Countries. The Russian infrastructure market is characterised by few equity investors and long-term institutional investors, the absence of a secondary securities market, and the participation of Russian state pension funds only in debt financing. Improving the depth of the financial market could allow Russia to more efficiently meet the capital requirements for future infrastructure projects.



2.2/100

Value of closed infrastructure deals with foreign equity sponsorship

Among the Upper Middle Income Countries, Russia has a score significantly lower than the average of 32. Foreign pension funds and institutional investors are not present in the Russian infrastructure market. A low value may reflect a limited scale of infrastructure investment opportunities available for foreign investors and may increase financing costs as a result of lower levels of competition.



No

Market sounding and/or assessment

Russia currently lacks a market sounding process for infrastructure projects, although they are increasing efforts to facilitate transparent communication in the infrastructure market through the development of digital platforms, such as ROSINFRA. Adding a market sounding process could allow the government to better determine if there is sufficient interest from investors and lenders to provide commercial financing for projects.

For guidance on how to improve these metrics, please see the [Russia Country Page](#) on the InfraCompass website.



ECONOMY OVERVIEW

| | | | | | |
|---|--------|--|-------|---|------|
| GDP (\$US billion, 2019) | 1637.9 | Population (million, 2019) | 146.7 | Unemployment rate (2019) | 4.5% |
| GDP per capita (\$US, 2019) | 11,163 | Urbanisation ratio (2018) | 74.0% | Inflation rate (2019) | 4.7% |
| GDP growth rate (annual, 2019) | 1.1% | Gross Government Debt (% of GDP, 2019) | 17.0% | Digital Adoption Index (0-1 best, 2016) | 0.74 |
| GDP per capita growth rate (annual, 2019) | -1.1% | Sovereign risk rating (2019) | 55 | Gini coefficient (0-100 worst, 2015) | 37.7 |

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

| GOVERNANCE | | REGULATORY FRAMEWORKS | | PERMITS | |
|---|--------|--|---------------------|--|--------|
| Post-completion reviews? | Yes - | Effect of taxation on incentives to invest | 36.3 ↑ | Cost to start a business | 98.2 ↑ |
| Infrastructure or PPP unit/agency? | Yes - | Prevalence of foreign ownership | 40 ↑ | Dealing with construction permits | 49.3 ↑ |
| Recovery rate | 43 ↑ | Product market regulation, network sectors | 64.6 [^] - | Quality of land administration | 86.7 - |
| Rule of law | 33.7 ↓ | Regulatory (including competition) quality | 39.2 ↓ | Registering property | 87.5 ↑ |
| Shareholder governance | 50 ↑ | Strength of insolvency framework | 71.9 - | Time required to start a business | 75.7 - |
| Political stability and absence of violence | 41.6 ↑ | Investment promotion agency? | Yes - | | |
| PLANNING | | PROCUREMENT | | ACTIVITY | |
| Published project pipeline? | Yes - | Average procurement duration – transaction RFP | 70.1 - | Infrastructure investment | 32.3 ↑ |
| Published infrastructure plan? | Yes - | Degree of transparency in public procurement | 75 ↑ | Private infrastructure investment | 5.8 ↓ |
| Preparation of PPPs | 31 ↑ | Published procurement guidelines? | Yes - | Value of closed PPP infrastructure deals | 7.4 ↓ |
| Economic analysis assessment? | Yes - | Procurement of PPPs | 67 - | Value of closed infrastructure deals with foreign equity sponsorship | 2.2 ↑ |
| Market sounding and/or assessment? | No - | PPP contract management | 63 - | | |
| Environmental impact analysis? | No - | | | | |
| FUNDING CAPACITY | | FINANCIAL MARKETS | | Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte. | |
| GDP per capita | 14.2 ↑ | Domestic credit to private sector | 36.5 ↑ | | |
| Gross government debt | 87.1 ↓ | Financing through local equity market | 35.8 ↑ | | |
| Long term GDP growth trend | 9.3 ↓ | Stocks traded | 8.1 ↓ | | |
| Summary credit rating | 55 ↑ | Financial depth | 35 ↑ | | |
| | | Financial stability | 79.5 ↓ | | |

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.

[^]Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.