

## Russian Corporate Profits Jump 25% as Sanctions Hit Muted

### Description

- Net income gain came despite economic contraction, inflation
- Data are latest sign of economy's resilience amid sanctions



Moscow's International Business Center.

Source: Bloomberg

via [Bloomberg News](#)

Russian corporate profits jumped 25% in the second quarter, even as sweeping US and European sanctions imposed over the Kremlin's invasion of Ukraine pushed the economy into recession. Profits jumped to 9.5 trillion rubles (\$144 billion at the average rate for the period), with the year-on-year increase outpacing the 17% rise in consumer prices over the period, according to Sberbank CIB calculations based on data from the Federal Statistics Service.

"The second quarter results were very good, demonstrating the resilience of the Russian economy," analysts at the state-owned lender wrote. "The solid profit growth provides hope for a revival in corporate investment."

### Profits Surge

Russian corporate profits jumped in 2Q, defying sanctions

Source: SberCIB, Rosstat

Percentage increase from previous year

The manufacturing sector, which was hit especially hard as sanctions cut off key imported components, still managed a 44% profit gain, while transportation and storage were up 168%. Profits in real estate and construction surged, as did earnings in hotels and catering, as Russians stayed home as international air service was limited.

### [Putin's War Sends Russian Economy Back to 2018 in Single Quarter](#)

Wholesale and retail trade suffered with the drop in sales, with profits off 13%, the report said, while earnings in mining were down 51% as sanctions hit key producers. In the tech sector, where western companies pulled out en masse, profits were down 48%.

— With assistance by Benjamin Harvey