
Original article

Attracting Foreign Direct Investment into the Economy of the Russian Far East in the 2020s: The Change of Trend

Denis V. Suslov

The Economic Research Institute FEB RAS, Khabarovsk, Russia
suslov@ecrin.ru, <https://orcid.org/0000-0001-5866-4369>

Abstract. *The article presents the parameters for foreign direct investment (FDI) attracting into the economy of the Far Eastern Federal District (FEFD) in 2019–2021. The article qualitatively assesses the established trends in attracting foreign direct investment (FDI) to the economy of the Far Eastern Federal District (FEFD) in the 2010s and at the turn of 2019–2021 based on the analysis of the dynamics of FDI inflows by territory, industry and country (including NEA countries) according to the Bank of Russia. It is found that significant industry asymmetry in FDI attracting remained in the FEFD until the period 2022–2024; the overwhelming majority (about 90%) of accumulated FDI was concentrated in the extraction of fuel and energy minerals together with geological exploration. At the same time, the geographic structure of FDI attracted to the FEFD remained the same, as well as their territorial distribution among the subjects of the FEFD did not change significantly. In addition, it is determined that in the context of the new geopolitical reality, sanctions pressure and direct prohibitions from unfriendly countries, the withdrawal of companies from large and medium-sized projects implemented in the Far East, there is a high degree of probability for forming negative trends both in the current inflows of FDI into the economy of the region, especially from unfriendly countries (including Japan and the Republic of Korea), and a decrease in the total balances of FDI in general for the Far Eastern Federal District and its subjects. It is revealed that the current financial and economic activities of enterprises with foreign participation in 2022–2023 continued and did not change significantly, contributed to the economic development of the region and its subjects. Despite the existing geopolitical risks and economic uncertainty in 2022–2024, in general, positive dynamics of capital investments in projects implemented by foreign investors (especially Chinese investors) in territories with special regimes have been maintained, which, unfortunately, have not yet led to a serious change in the interaction of FDI and the regional macro- and microeconomy.*

Keywords: *Far Eastern Federal District, foreign direct investment, regions, industries, TOR, FPV, projects, NEA countries, barriers, geopolitical risks*

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