

Russian Far East Special Economic Zones in the Face of the COVID-19 Pandemic: Resident Companies Moving In and Out (Summary)

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This paper aims to assess the impact of the pandemic on resident companies in the Russian Far East special economic zones. Using data of resident registers of the Far East Development Corporation, the Uniform State Register of Legal Entities, and the financial accounting reports, we trace the entry/exit of the resident companies and their economic conditions. Our analysis revealed the following. First, the Corona shock slowed down the pace of growth in the number of firms' entry into the special economic zones. The financial performance of resident companies in terms of revenue also dropped. Second, the number of companies that left the zones increased. Furthermore, the characteristics of such companies changed. Before the pandemic disaster, many companies had quickly departed the zones even before starting the actual operation. Contrastingly, amid the pandemic, the financial conditions of companies operating for years deteriorated rapidly and were forced to exit. In 2021, the number of companies that left the zones while facing financial difficulties significantly increased, raising serious concerns regarding the success and failure of regional development policies in the Russian Far East.

Keywords: Special Economic Zones, Russian Far East, Far East Development, Territory of Advanced Economic Development, COVID-19

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