

Financial risks of constituents of the Russian Federation

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Abstract

© 2014, Mediterranean Center of Social and Educational Research. All rights reserved. The Russian Federation comprises of 83 constituents which vary not only in territory, climate zones, resource endowment, but also in economic indicators which have influence on their investment attractiveness. While making decisions of investment, investors make allowances for investment attractiveness of regions and assess financial risks. Comparative analysis of ratings of constituents of the Russian Federation according to valuations of international and Russian rating agencies, as well as of the Ministry of Regional Development of the Russian Federation and the Ministry of Finance of the Russian Federation is presented in this study. It has been identified that only international rating agencies and some Russian rating agencies assess risks. Besides, many rating agencies do not have indicators of evaluation of non-systemic risks in their system of estimated figures of investment attractiveness of regions. The authors propose to include these indicators into estimated figures of investment attractiveness of constituents of the Russian Federation.

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Keywords

Constituents of the Russian Federation, Financial risks, Investment attractiveness, Nonsystemic Risks, Rating agencies, Systemic risks