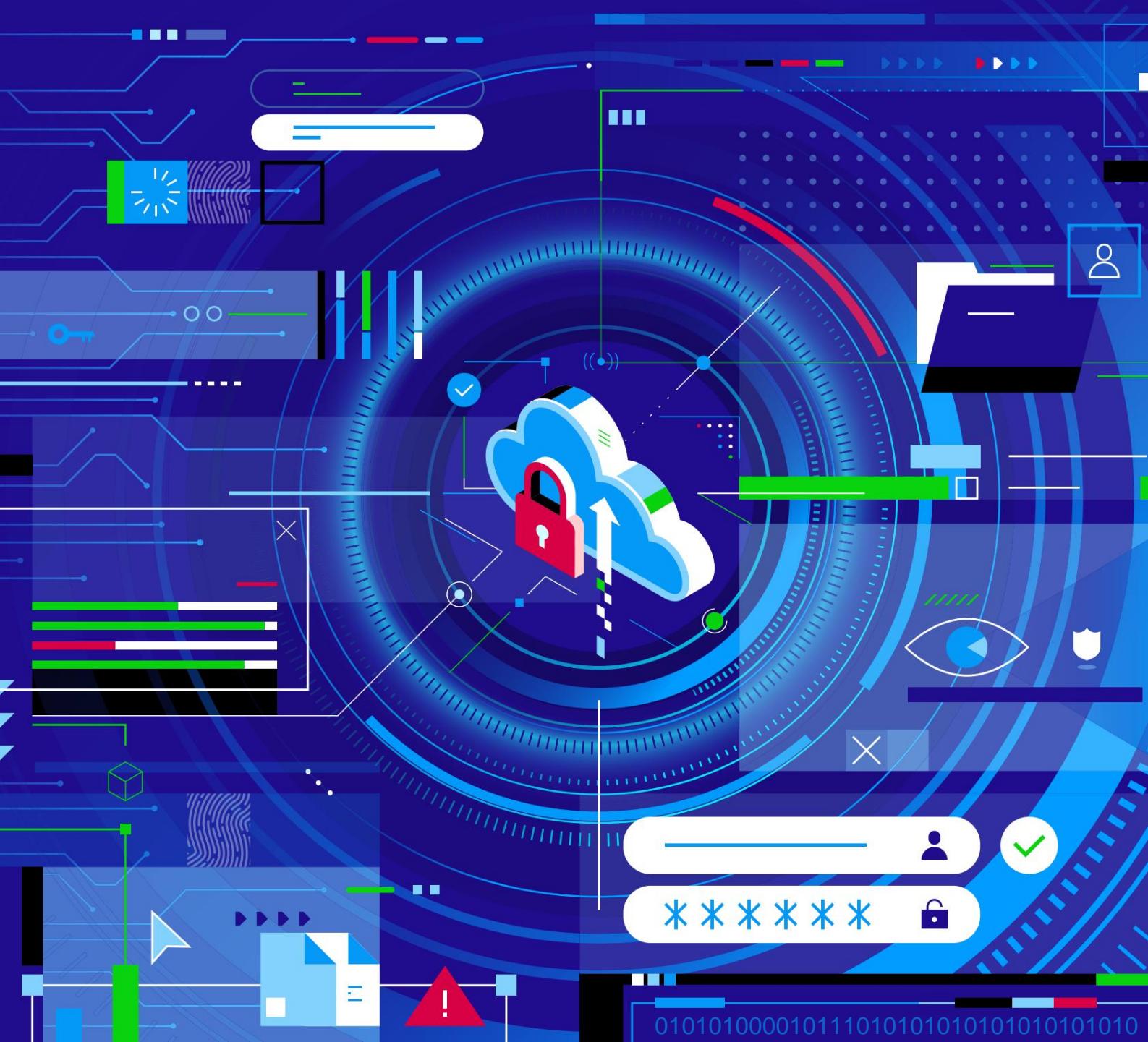


Forecast of the development of the cyber security market in the Russian Federation for 2023-

July 2023



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Introduction

In 2022, the Center for Strategic Development Foundation (also known as ѹѹѹѹ) conducted a study of the cyber security market of the Russian Federation with a forecast of its development for the period 2022-2026.

The estimation of the market volume according to the results of 2021 year was **186,9 billion rubles**. In the money of the customer. In connection with geopolitical events, the year 2022 became a turning point for the market and radically changed the existing dynamics of development. In our report, we predicted a decline **of more than 10%** at the end of 2022 with a rapid growth **of up to 469 billion rubles. (y 2.5 ýýýý)** ý 2026 ýýýý. However, at the end of 2022 and the beginning of 2023, representatives of the industry, experts and researchers noted at the end of the year not a decline, but an insignificant growth of the information security market in Russia **by 5%1.**

In 2023, ýyy updated the assessment and forecast of the market according to the results of 2022. The purpose of the study is to form an assessment of the cyber security market in Russia in 2022 and a detailed forecast of its development for the next 5 years, including an assessment of its coverage by products of domestic development.

The study was conducted from April to July 2023 based on the analysis of open sources about the revenue of the main vendors of information security products for 2022, information on trading platforms for the purchase of information security tools and related services, and a direct survey of vendors and distributors. The main focus in this report, as in the previous year, is on information security tools (ýþý), the services are viewed as a whole.

As part of the study, the following categories of information protection tools were considered:

- means of protecting infrastructure (infrastructure security); • network security tools; • Application security tools; • data protection tools (data security); • user security tools; • Endpoint security means.

Their decomposition in this study is shown in Table 1. Analytical results of the study are structured as follows:

- Evaluation of the cyber security market according to the results of 2022; • Market development forecast for 5 years (2023-2027).

... expresses gratitude to all participants of the survey for the information provided, as well as to the Ministry of Digital Development, Communications and Mass Communications. for research support.

¹ yyyy yyyyyyyyyy yyyy yyyyyyyyyyyyyy yyyyyyyyyy y yyyyy y y yyyyyyyyy yyyyyy — December 2022 ю.—
<https://ict.moscow/research/issledovanie-rynka-informatsionnoi-bezopasnosti-v-rossii-po-klientskim-segmentam/>

Table 1. Decomposition of categories of information security tools

yyyyyy yyyyyy

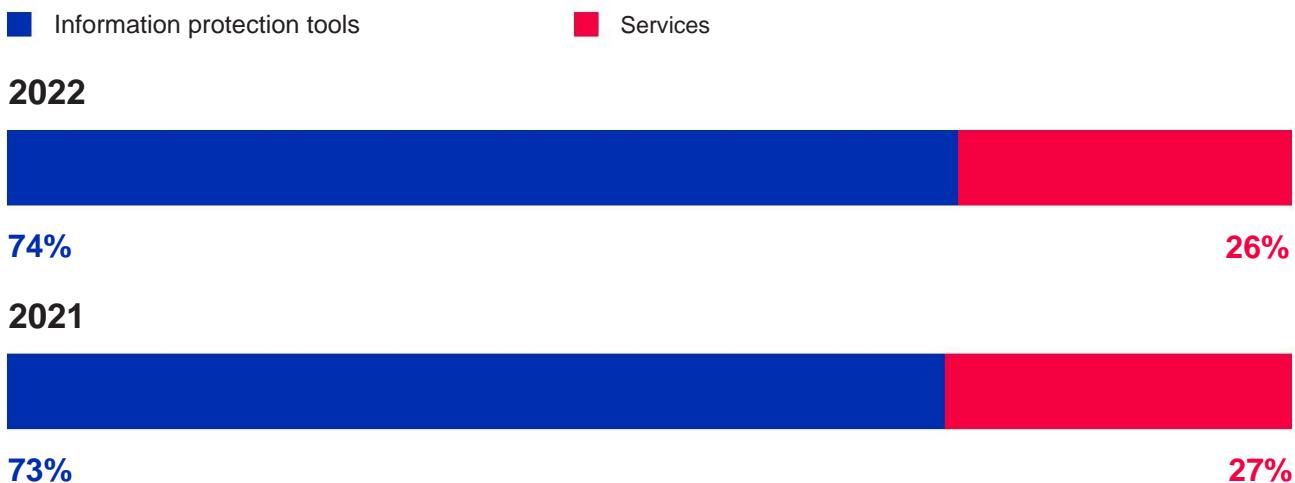
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yy yyyyyyyyyy 2022 yyyy

The cyber security market of the Russian Federation is evaluated according to the results of 2022 **193.3 billion rubles.**², increase in the total volume of the cyber security market (products and services) Compared to 2021, it was slightly less than **4%**.

At the same time, the ratio of SIZ supplies and services did not change significantly in 2022. The combined share of services amounted to **26%** (**27%** by the end of 2021) of the total market volume, and Protection of information— 74% (**73%** by the end of 2021).

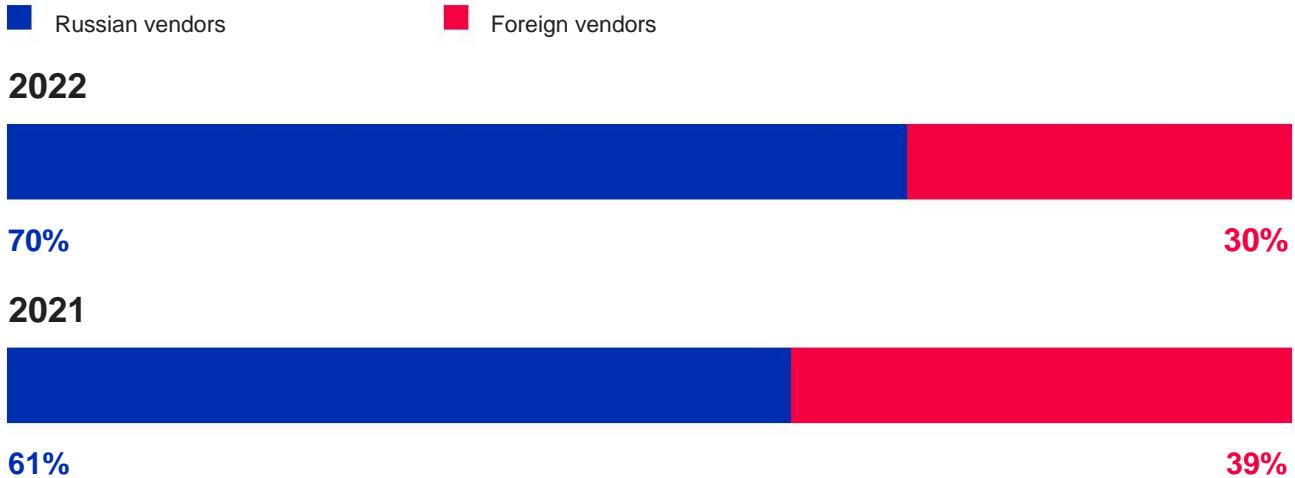
Figure 1. Total share of services and supplies of information security tools



In 2022, the dominant position of Russian products will be in the domestic market of SIZ products Information security vendors significantly increase: they occupy **70%** (in 2021 — 61%) of the market, while the share of foreign products continues to decrease essential tempos However, in the total costs of the year, foreign solutions yy yyy yyyyyyy yyyyyyyyy yyyyy yyyyy— 30% yy yyy yyy (in 2021 yy— 39%).

² Data taken from various sources, including from the official reporting of companies, procurement data platforms and other sources on the rights of anonymity. When evaluating, the data were considered as per vendors. yy yyy integratoram, yyyyyyyyy yyyyy. It was learned that the vendor's revenue is not necessarily equal to his yyyyyyyyyyy yy yyyyy yyyyy yyyyyyyyyyy yyyyyyyyyy/integrator.

Figure 2. Share of Russian and foreign security vendors



According to the results of 2022, the list of leaders of the Russian cyber security market looks like this:

1. Kaspersky Lab	11. yyyyÿÿ-ÿÿ	22. DrWeb
2. Positive Technologies	12. IBM	23. ESET
3. BI. ZONE	13. Active-Soft	24. Rvision
4. Check Point Software Technologies	14. UserGate	25. Micro Focus
5. Rostelecom-Solar3	15. SearchInform	26. yyyyÿÿÿÿÿÿ-ÿÿÿÿÿÿ
6. InfoTeX	16. FACCT	27. ÿÿ «ÿÿÿÿÿÿÿÿÿÿ»
7. Cisco	17. Palo Alto Networks	28. CyberArk
8. Fortinet	18. Infowatch	29. Aladdin R.D.
9. Security code	19. Central Bank	30. Qrator Labs
10. Krypto-Pro	20. S-Terra	31. Trend Micro
	21. Garda Technologies	32. Trellix

3 The data of several related legal entities, united within the framework of one name, were considered.

The leaders of the үүү market with a noticeable gap are Kaspersky Laboratory and Positive Technologies.

Figure 3. Shares of security vendors in the market by results of 2022

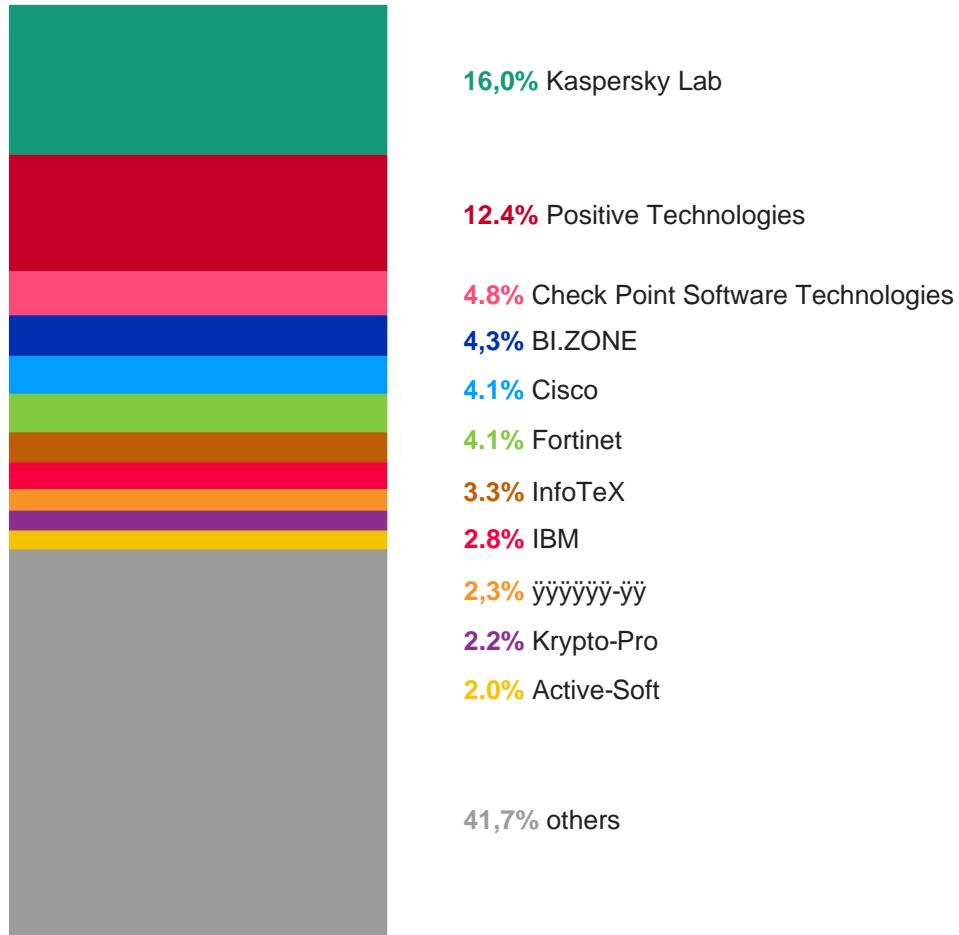


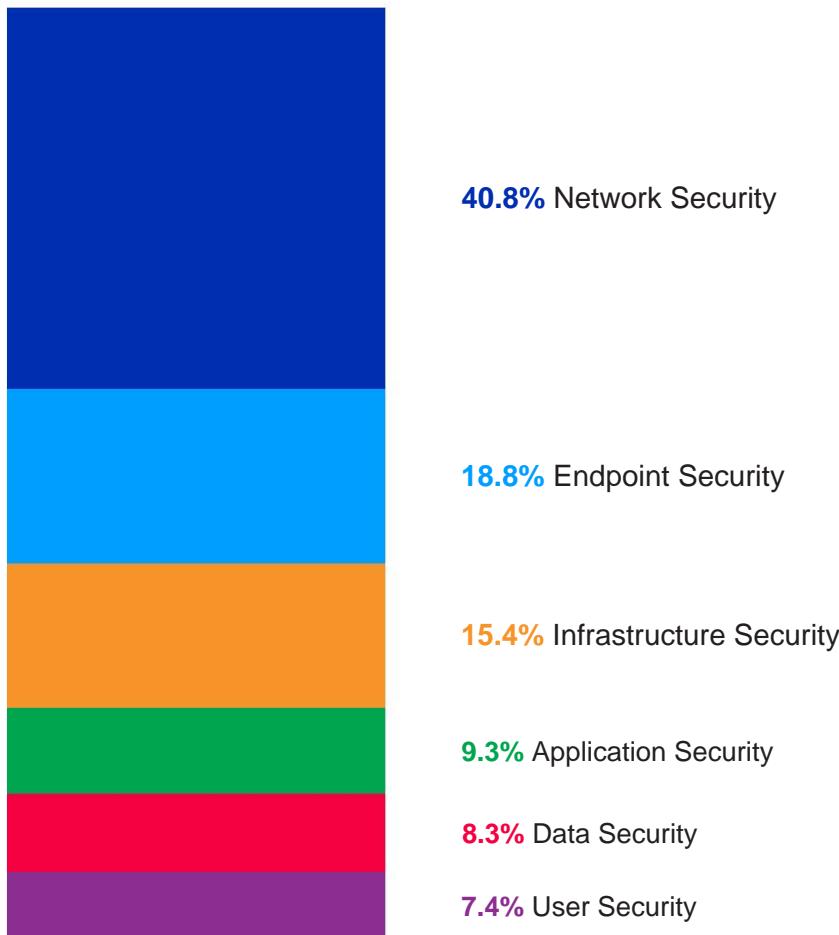
Table 2. үүүү10 vendors of information security tools by sales in 2022 (not including services)

Position	Vendor	Jurisdiction
1	Kaspersky Lab	RF
2	Positive Technologies	RF
3	Check Point Software Technologies	yyyyyyyyyy
4	BI. ZONE	RF
5	Cisco	yyyyyyyyyy
6	Fortinet	yyyyyyyyyy
7	InfoTeX	RF
8	IBM	yyyyyyyyyy
9	yyyyyy-yy	RF
10	Krypto-Pro	RF

On the following graph, the share distribution of the following categories of information security tools offered on the market in 2022 is shown:

- means of protecting infrastructure (infrastructure security);
- network security tools;
- Application security tools;
- data protection tools (data security);
- user security tools;
- Endpoint security means.

Figure 4. Share distribution of the category of information security tools according to the results of 2022



Relative to 2021, it is possible to observe a slight decrease in the share of network security **to 40.8%** (**45%** in 2021) and almost a two-fold reduction in the share of data protection **to 8.3%** (15% in 2021). The most noticeable, practically on 6 percentage points, the "end point" protection sector grew - up to 18.8% (13% a year ago).

On the background of the geopolitical events of 2022 and the introduction of sanctions from the Russian market
Practically all notable foreign vendors.

Table 3. Information about the departure of foreign vendors

Vendor	Note	ÿÿÿÿÿÿ ÿÿ	ÿÿÿÿÿÿÿÿ sale	Stopped support
Check Point Software Technologies	There are no messages on the official site o suspension ÿyyyyy ÿ yyyyyy	Net	Net	Net
Fortinet	It is excluded on the official site Russian language version https://www.fortinet.com/	yes	yes	yes
Imperva	Product line ÿ yyyyyyyyyy is not available https://store.softline.ru/imperva/	yes	yes	yes
F5	Part of the team of developers ÿÿ popular web server in the world Nginx site hosting is back ÿ yyyyy ÿ yyyyyyy yyyÿ Angie https://www.kommersant.ru/doc/5634072	yes	yes	yes
CyberArk	On site Softline product line Temporarily not available https://store.softline.ru/cyber-ark-267934/#description	Net	yes	yes
Palo Alto Networks	ÿÿ yyyyy yyyyyyy yyyyyyyyyy The ruler is temporarily not available on the site yyyyyyyyyyyyyy yyyyyyy update There are no tapes on the official site	Net	yes	yes
Trend Micro	Trend Micro Store at the moment Closed for Russian users https://shop.mmea.trendmicro.com/ru_ru/	Net	yes	yes
Cisco	"Cisco stops all business operations." ÿ yyyyy ÿ yyyyyyy... - it is said in the letter of the chief executive Director of the company Chaka Robbins in a letter yyyyyyyy, access to which he received MarketWatch https://www.marketwatch.com/story/cisco-systems-is-latest-american-company-to-stop-business-operations-in-russia-2022-03-03	yes	yes	yes

Vendor	Note	ÿÿÿÿÿÿ ÿÿ ÿÿÿÿ	ÿÿÿÿÿÿÿÿ ÿÿ sale	Stopped support
IBM	7 June 2022 American company And the largest producer and supplier IBM hardware and software I announced my final departure from Russia https://ria.ru/20220607/ibm/1793740096.html	yes	yes	yes
Micro Focus	ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿÿ Russian users. System It works in general. Support ÿÿÿÿÿÿÿÿ, ÿÿÿÿ ÿÿ ÿÿÿÿÿÿ Accounts are not made	—	yes	yes
ESET	The company announced the cessation of deliveries ÿÿÿÿ ÿÿÿÿÿÿ ÿÿ ÿÿ, ÿÿ ÿÿ ÿÿÿÿ Close the representative offices and stop Technical support of active users	yes	yes	Net
Broadcom (Symantec)	ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿÿ Russian licenses and accounts users	yes	yes	yes
Trellix	Trellix company has stopped working Their products in Russia. ÿÿÿÿÿÿÿÿ encountered installation problems, Registration and updates of antivirus	yes	yes	yes
ForcePoint	ÿÿÿÿ ÿÿÿÿÿÿÿÿ ÿÿ, ÿÿÿÿÿÿ ÿÿÿÿÿÿÿÿ ÿÿ ÿÿÿÿ	Net	yes	yes
Nessus	The company produced licenses Russian users. ÿÿ ÿÿÿÿ Softline product is not available	Net	yes	yes
Checkmarx	There are no messages on the official site ÿ ÿÿÿÿÿÿÿÿ ÿ ÿÿÿÿ	Net	Net	Net

However, despite the rapid exit, the share of foreign vendors in the market in 2022
ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿÿ, ÿ ÿÿ ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿÿ ÿ ÿÿÿÿ ÿÿÿÿÿÿÿÿ, ÿÿÿÿÿÿÿÿ
ÿ ÿÿÿÿ ÿÿÿÿÿÿÿÿ ÿÿÿÿÿÿÿ— network security

Table 4. Top-5 vendors in the category of information protection tools as of 2022

Position	Vendor	Jurisdiction
Network security tools		
1	Check Point Software Technologies	yyyyyyyyyyyy
2	Fortinet	yyyyyyyyyyyy
3	Cisco Systems	yyyyyyyyyyyy
4	Kaspersky Lab	RF
5	Positive Technologies	RF
"endpoint security" means of protection		
1	Kaspersky Lab	RF
2	Dr. Web	RF
3	ESET	yyyyyyyyyyyy
4	InfoTeX	RF
5	yyy yyyyyyyyyyyy	RF
Infrastructure security tools		
1	Positive Technologies	RF
2	IBM	yyyyyyyyyyyy
3	Rvision	RF
4	FACCT	RF
5	Kaspersky Lab	RF
Application security tools		
1	Positive Technologies	RF
2	BI. ZONE	RF
3	Micro Focus International	yyyyyyyyyyyy
4	Rostelecom-Solar	RF
5	F5	yyyyyyyyyyyy
Data security tools		
1	BI. ZONE	RF
2	yyyyyy-yy (yy «yyyyyy-yy»)	RF
3	InfoTeX	RF
3	Kaspersky Lab	RF
3	KryptoPro	RF
4	UserGate	RF
5	yyy yyyyyyyyyyyy	RF
5	Source: Survey of IT security products	

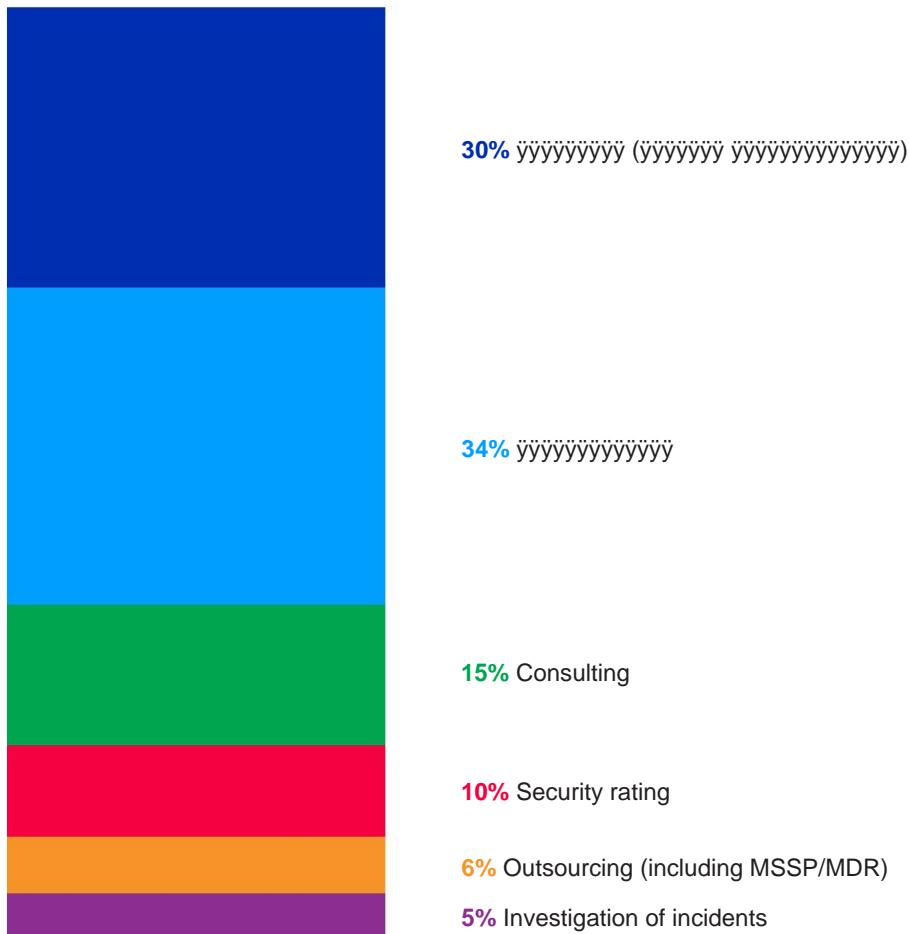
Position	Vendor	Jurisdiction
User security tools		
1	Active-Soft	RF
2	CyberArk Software	yyyyyyyyyyyy
3	Krypto-Pro	RF
4	Aladdin Ѽ.ў.	RF
5	Bl. ZONE	RF

Share distribution of services offered in the market in 2022 in the region

Ensuring information security:

- Implementation, including preparatory stages, design and support (obespečenie life cycle means of protection);
- Consulting, including assessment of security of information resources and investigation of incidents of information security;
- Outsourcing, including the management of protective equipment, detection and reaction on incidents

Figure 5. yyyy yyyy yyyy yyyy yyyy yyyy 2022 yyyy



The share distribution of services has changed more significantly than ýýý, it is observed
 A significant increase in escort services— 34% at the end of 2022 against **19%** in 2021.
 More than two-fold increase in security rating (up to 10% in 2022 against **3%** in 2021)
 and incident investigations (up to 5% in 2022 versus **2%** in 2021). It happened on this background
 A significant drop in outsourcing — 6% in 2022 against **29%** in 2021.

Leaders in the provision of information security services in 2022:

1. Rostelecom-Solar	3. BI. ZONE	5. Positive Technologies
2. Laboratory Kaspersky	4. Security code	

The cyber security market of the Russian Federation continued to grow with the total in 2022
 Compound annual growth rate (CAGR) **is 3.99%**. This is lower than right
 The world market, which grows **at 11%** per year, is significantly lower than the previous growth rate
 Russian market, but significantly better than the initial forecast, by falling **to 10%**. it is possible
 To conclude that the geopolitical events of 2022 could not affect the Russian market
 ýýýýýýýýýýýýýýýýýý ýýýýýý ýýýýýýýýýýýýýýýýýý ýýýýýýýýýýýýýýýýýý
 rapid development

Decomposition of market share volumes and calculated CAGR values for 2022 by categories
 The previously considered means of protection are shown in Table 5.

Table 5. Decomposition of market share volumes and estimated CAGR values for 2022 by categories of previously considered security tools

Category of information protection tools	Doli market volume (%)	volume market share (billion rubles)	CAGR (%)
Network security tools	40.8%	58	-4.7%
"endpoint security" means of protection	18.8%	27	46.0%
Infrastructure security tools	15.4%	22	29.4%
Application security tools	9.3%	13	19.9%
Data security tools	8.3%	12	-40.5%
User security tools	7.4%	10	16.6%
TOTAL		142	4.5%

The volume of the services market was **50.8 billion rubles**. ý CARG **2,56%**.

Market expectations for 2023 and forecast until 2027

The market expectations of 2023 are formed against the background of ongoing geopolitical changes, which took place in 2022, the departure of foreign vendors from the domestic market⁴ (foreign vendors accounted for **39%** of the total market volume as of 2021 **and 30%** at the end of 2022). The situation for Russian vendors remains optimistic, as the demand for solutions that provide cyber security continues to grow. The truth is due to the following factors related to the changed world situation and measures taken by the government (regulators) and business to strengthen cyber security:

4 When forming the information security market model until 2027:

- The market growth in previous years was taken as the basis (CARG 15%);
- The impact of the specified factors on market growth was estimated in separate categories of information security tools and services;
- The influence of factors was estimated over the years based on the gradual stabilization of the market in the changed conditions until 2027;
- Assessment of the impact of factors formed from the assessment of 2022, the first quarter of 2023 and expert assessments.

The rapid exit of foreign vendors in 2022 did not lead to the expected reduction of the total market volume (under the market volume is meant the amount of money paid by the customer, not actual demand)— domestic companies were able to quickly replace most of the solutions, in addition, parallel import schemes were implemented and other ways of bypassing sanctions restrictions. At the same time, the drop in revenue of foreign vendors in 2022 amounted to more than **70%**, as a result, according to the results of the year, their market share decreased **to 30%**.

Although a more gradual departure of foreign vendors was predicted earlier, in reality their share was shrinking faster. Most of them announced that they will leave the Russian market in 2022, although previously concluded contracts, the actual "transitional period", and parallel and gray imports allowed them to save a significant amount at the end of the year. In 2023, a significant drop in the share of foreign vendors is expected. Also, it is possible to mention the restructuring of a number of companies due to the exit of foreign capital from them. As an example, you can give Group-IB: on April 20, the beginning of the history of FACCT company after the final separation of Russian and international assets of Group-IB. Russian assets of Group-IB were bought by local shareholders and top management. At the same time, the new owners kept all contracts with Russian clients, as well as products, technologies and services developed in the country.

The situation for Russian vendors looks more positive than in the mid-2022 forecast. They have a solid portfolio of products and services and quickly occupy the free market. The main part of the free market share (about **60 billion rubles**) will be developed in the course of the next 2 years based on the existing developments and solutions of Russian vendors.

The development of the missing solutions can take up to 5 years before the products reach the required level of quality, although **80%** of all such solutions will most likely be on the market within the next 2 years. As an example of development against the background of the existing situation, the case of Positive Technologies can be cited: since the listing of Positive Technologies, the quotations of Positive Technologies have increased more than 2 times, the revenue in 2022 has increased by 95%, **from 7.1 to 13.8 billion rubles.** In 2023, the company announced the goal of increasing the sales of SIZI **to 20-25 billion rubles.** (with potential growth to 30 **billion rubles.**) In other words, revenue growth is expected to increase **from 45% to 117%.** Another example of development against the backdrop of the geopolitical crisis is Kaspersky Lab, which bought **49%** of Fopipl LLC in 2022.

(ForPeople), which develops an analogue of SAP's HR-platform GP OrgManager and in 2023, **49%** of the company Ximi Pro, which works in the field of container IT-infrastructure security. Also, Garda Tehnologii acquired a controlling stake in Makves, a software developer for IT audit and data protection.

On the basis of expert evaluations of market participants, an assessment of the influence of factors on the market over the years was carried out. In addition to obvious factors, there are a number of hidden factors, the key of which is the reluctance of large customers to refuse foreign SIZI and switch to domestic solutions. It is considered that some of them are in a waiting position until they are convinced of the maturity of Russian SIZI. The basic forecast is that domestic vendors will bring their product line to final maturity in 2023-2024. Accordingly, you can expect an additional and significant inflow of funds to the market in this period.

5 <https://vc.ru/services/495935-laboratoriya-kasperskogo-kupilaj49-v-kompanii-forpeople>

[razrabotchike-resheniy-analogichnyh-sap](https://vc.ru/services/495935-laboratoriya-kasperskogo-kupilaj49-v-kompanii-forpeople)

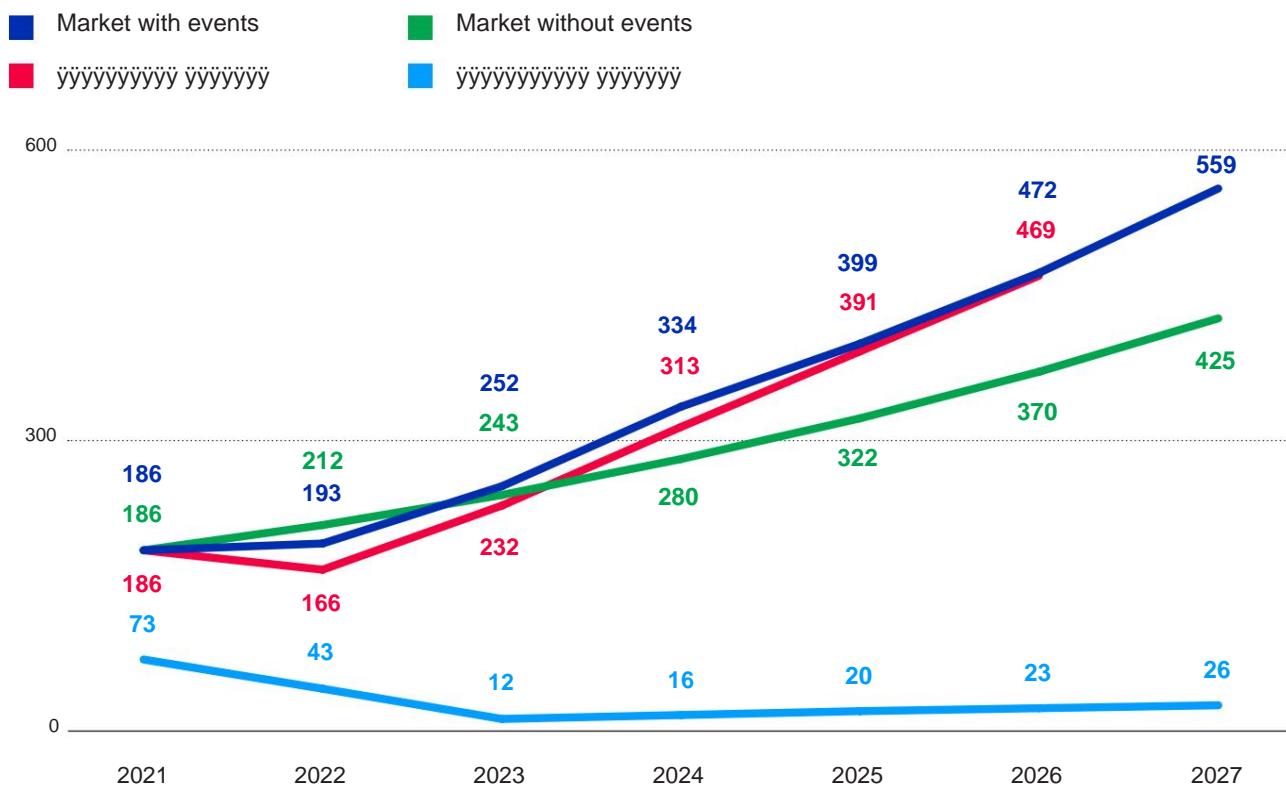
6 <https://www.interfax.ru/business/886912> **7**

<https://www.anti-malware.ru/news/2023-04-12-118537/40934>

Table 6. Evaluation of the influence of factors on market growth

Factor	2023	2024	2025	2026	2027
True numbers of cyber attacks	8%	7%	6%	6%	6%
yyyy yyyy yyyy yyyy yyyy	7%	5%	3%	3%	3%
Sanctions and restrictions related to them	-2%	-2%	-2%	-1%	-1%
Responsibility of organizations for the insurance of ѕB	0%	0%	0%	0%	0%
yyyyyy yyyy yyyy yyyy yyyy on yyyy objects	1%	1%	1%	0%	0%
Financial support measures	10%	10%	10%	9%	9%
Non-financial support measures	2%	2%	2%	2%	2%
yyyyyyyyyyyy yyyy yyyy yyyy yyyy	-1%	-1%	-1%	-1%	-1%
Readiness of customers for importation	5%	10%	—	—	—
yyyyyyyy yyyy yYNyy (yyy y yyyy)	31%	32%	19%	18%	18%

Also, it is necessary to note that after 2022, the market began to grow due to the regions and this country. The dynamics is increasing, which can become an additional positive factor in the growth of the market in 2023 and subsequent years.

Figure 6. Forecast of the development of the Russian cyber security market, billion rubles.

The graph shows the market forecast before the beginning of the World Economic Forum, the previously made market forecast for 2022-2026 and the updated forecast for 2023-2027 with the actual market for 2022. You can see that the market volume did not fall in 2022-2023 due to the current geopolitical situation. Due to the actual rapid growth of domestic vendors, the market not only did not fall, but also grew a little. The downward trend was overcome in the same reporting year in which it arose.

The share of foreign vendors is noticeably reduced, although less intensively than it was predicted

The rapid growth continues, although its pace will gradually smooth out. The increase in the market growth rate is connected with the above factors. They gave the greatest effect in 2022 and will continue to give in 2023, then gradually they will decrease and their stabilization is expected at the level of **18%** by 2027.

CAGR $\text{yyy yyyy yyyy yyyy}$ is expected to be: 2023 yyy—31\% , 2024 yyy—32\% , 2025 yyy—19\% , 2026 yyy—18\% ; 2027 — 18%, which for 5 years will make CAGR 24% (blue line on the graph Figure 6)

At the same time, the market share of foreign vendors will continue to decrease and will reach its minimum **of 4-5%** in 2026 (purple line on Figure 6) due to the final departure of traditional foreign vendors for our market (Cisco, IBM, Fortinet, etc.). The influence of gray import on the share of foreign players is assumed to be minimal and will be connected primarily with technical support. It is expected that the share of foreign vendors in the domestic market will stabilize at the level of **5%**.

It is also necessary to note the attempts to expand to the domestic market of companies from friendly countries, especially China. However, the factors that allowed them to occupy a significant share of the market are not considered. Because of them, the share of foreign vendors can grow to 8% by 2026.

Conclusions

Russian security market continues to grow. The expected fall in 2022 was actually significant

Softer than previously predicted, it did not lead to a drop in market volumes relative to 2021.

The growth of the cyber security market for the period 2022-2027 is expected to be **24% CAGR**, which will reach **559 billion rubles** by 2027 .

531 billion rubles will be allocated to the Russian vendors . or **95%** of the total volume of this part of the market.

The network security segment is the only one where leadership is still fixed behind foreign vendors. At the same time, this segment is the largest of all. It is expected that there will be an active competitive struggle for leadership.

The volume of the services market in 2027 is estimated to be **145.3 billion rubles**. against **49.8 billion rubles**. In 2022, Russian vendors will have **138 billion rubles**.

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yyyyyyyy yyyy yyyy yyyyy, yy yyyyyyyyyy yyyyyyyyy yyyyy
significantly higher than average.

Authors



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Director, director of the center of
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