

30th issue of the weekly digest on impact of foreign companies' exit on RF economy

Prepared by the KSE Institute team and KSE members of the Board of Directors with the support of the International Renaissance Foundation;
28.11-04.12.2022

Disclaimer: At the beginning of the Russian invasion of Ukraine KSE Institute launched an analytical project, which was named "SelfSanctions", aimed to collect data on foreign companies operating in the Russian market and limiting or terminating their activities. Examination of data was conducted jointly with specialists from the Ministry of Economy, the Ministry of Foreign Affairs and the Ministry of Digital Transformation of Ukraine.

The database contains a lot of information, we collect daily statistics on changes in the status of foreign companies operating/operated in the Russian market and limiting or terminating their activities. Also, we created the Telegram bot https://t.me/exit_ru_bot for tracking/monitoring of news on priority foreign companies (coverage 1, 2, 3 or 7 days of monitoring). Also, we do regular analysis of changes in share prices and capitalization of parent groups of companies that have or have had business in Russia.

KSE database is partly based on the [Yale's School of Management database](#), [epravda.com.ua](#), [squeezingputin.com](#), <https://bloodyenergy/> and [leave-russia.org](#) websites and other open sources. Data is verified and KSE status is assigned. Data on stocks is taken from Google and Yahoo Finance. At the same time, the KSE database is more complete and comprehensive and contains ~40 percent more information than most other similar databases, as it also includes data on number of staff, revenue, capital and other financial indicators, the latest updates and changes in statuses, links to used sources, and daily updates from the telegram-bot etc.

KSE Institute is glad to announce that we [have finalised merging](#) with project [leave-russia.org](#) which was developed by a team of volunteers.

Also, we became partners with [Rubargo](#). Rubargo allows you to find any brand or company that is operating in Russia just by scanning barcodes.

KSE DATABASE SNAPSHOT as of 04.12.2022

Number of the companies **that continue Russian operations** (KSE's status "**stay**"¹) – **1 185 (-6 per week)**

Number of the companies **that have reduced current operations and hold off new Investments** (KSE's status "**wait**") – **501 (0 per week)**

Number of the companies **that have curtailed Russian operations** (KSE's status "**leave**") – **1 146 (+2 per week)**

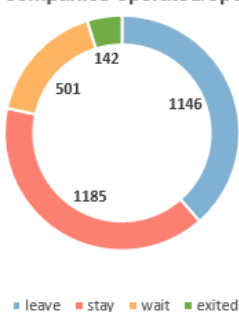
Number of the companies **that completed withdrawal from Russia** (KSE's status "**exited**") – **142 (+6 per week, +10 per 2 months)**

As of December 04, we have identified about **2,974 companies, organisations and their brands from 86 countries and 56 industries** and analysed their position on the Russian market. About 40% of them are public ones, for ~1 300 public groups of companies, we also identified (where it was possible) their operating business in Russia (the presence of a controlling stake in a legal entity) and updated the data for 2021, which allowed us to calculate the value of capital invested in the country (about **\$162.0 billion**), local revenue (about **\$294.3 billion**), local assets (about **\$281.0 billion**) as well as staff (about **1.290 million people**) and taxes paid (about **\$24.4 billion**). **1,647 foreign companies** have reduced, suspended or ceased operations in Russia. Also, we added information about **142 companies that have completed the sale of their business in Russia** based on the information collected from the official registers (November update this week allowed us to identify another 4 exited companies)..

As can be seen from the tables below, **as of December 04**, companies which had already completely exited from the Russian Federation, had at least **283,000 personnel, \$35.4 bn in annual revenue, \$14.7 bn in capital and \$31.5 bn in assets**; companies, that declared a complete withdrawal from Russia had **127,400 personnel, \$31.9bn in revenues, \$38.8bn in capital and \$84.9 bn in assets**; companies that suspended operations on the Russian market had **270,000 personnel, annual revenue of \$51.5bn, \$28.5bn in capital and \$33.2 bn in assets**.

KSE Institute

of foreign companies operated/operating in RF



TOP-10 countries and industries by # of companies from KSE database

Country of HQ	# of companies
USA	679
Germany	370
Great Britain	251
Japan	161
France	159
Switzerland	136
China	104
Italy	103
Netherlands	92
Finland	87

Industry	# of companies
FMCG/Consumer goods	302
Finance and payments	202
IT	178
Industrial equipment	168
Energy, oil and gas	161
Automotive	151
Pharma, Healthcare	149
Electronics	148
Food&Beverages	125
Manufacturing	111

¹ - KSE status "leave" - Companies that have published on the company's official website (or their release has appeared in a foreign publication such as FT, NYT, etc.) that are completely shutting down in Russia or companies that have officially announced that they are temporarily reducing operations in Russia
 - KSE status "wait" - Companies that have published on the company's official website (or their release has appeared in a foreign publication such as FT, NYT, etc.) that they are reducing only part of their business operations by continuing to work on other operations or companies that have reported delaying future investment / development / marketing, while continuing their core business
 - KSE status "stay" - Companies that ignore exit / downsizing requirements in Russia, as well as companies that have officially stated that they remain in Russia or news of their exit have not been found
 - KSE status "exited" - Companies that sold its business/assets or its part of the business to a local partner/terminated relations and left the market

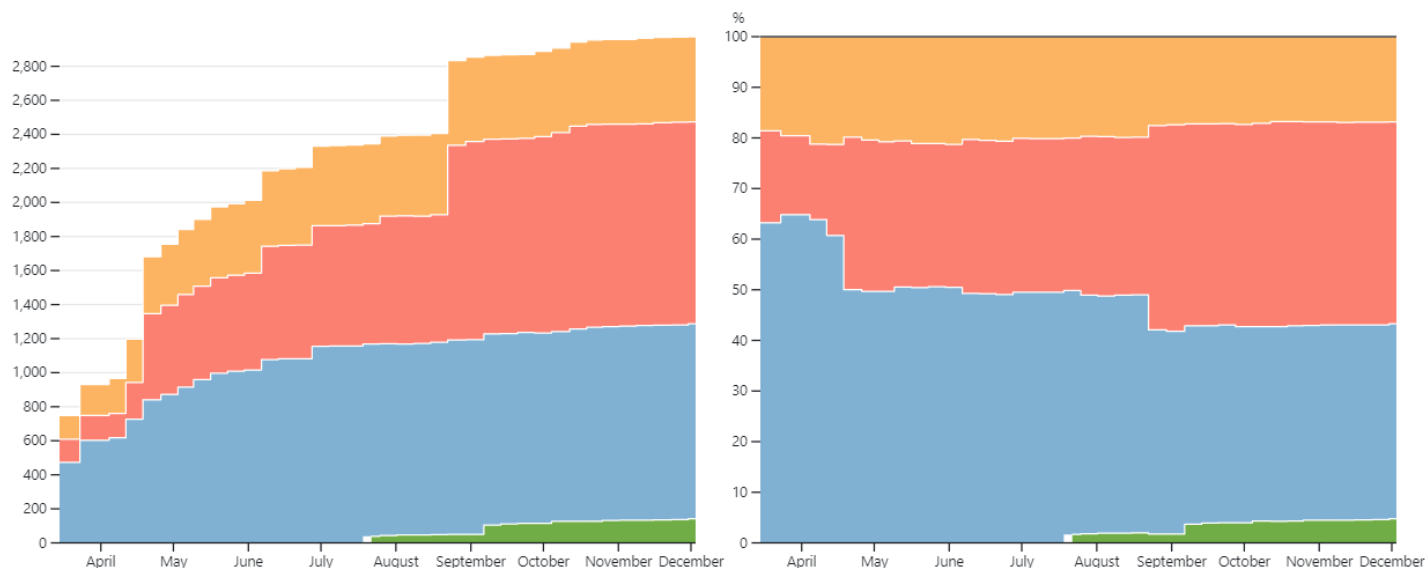
The following table is based on data available for ~1 300 TOP public companies operated/operating in RF²:

KSE Institute	Status by KSE	Number of staff	Revenue, USD m	Capital, USD m	Assets, USD m	Taxes, USD m
	exited	283 166	35 410	14 708	31 496	3 155
	leave, including:	397 549	83 430	67 377	118 077	3 613
	complete withdrawal	127 440	31 933	38 845	84 867	1 223
	suspended operations	270 109	51 497	28 532	33 210	2 390
	wait	323 199	113 612	51 537	60 109	14 797
	stay	286 327	61 823	28 397	71 359	2 810
	Total	1 290 241	294 275	162 019	281 041	24 375

If since the beginning of the Russian invasion of Ukraine, the percentage of companies that closed operations in Russia has risen sharply by mid-March, in the last month the ratio of those who leave or stay is virtually unchanged. although we still see a periodic increase in the share of those companies that remain in the Russian market. However, about 38.5% of foreign companies have already announced their withdrawal from the Russian market, but another 39.8% are still remaining in the country, 16.8% are waiting and only 4.8% made a complete exit³.

At the same time, it is difficult not to overestimate the impact on the Russian economy of only 142 companies that completely left the country, since they employed almost 22.0% of the personnel employed in foreign companies, the companies owned about 11.2% of the assets, had 9.1% of capital invested by foreign companies, only last year they generated revenue of \$35.4 billion or 12.0% of total revenue and paid \$3.2 billion of taxes or 12.9% of total taxes paid by the companies observed. Data on 1,300 TOP companies are presented in the table above.

■ exited ■ leave ■ stay ■ wait



More infographics and analytics see in a special section at the link <https://leave-russia.org/bi-analytics>

² As of 19/06/2022, we updated the database with extended information on ~ + 400 new companies, and as of 28/08/2022, we have updated data for another 422 companies with data on personnel, revenue, capital and assets for 2021. Also, we started to monitor additionally whether companies really stated any actions to exit the country (currently we observe a very small number of such companies). So far we found information only about a few companies which started selling their business in Russia. Even for most of them – it's just an intention or they just started the process of sale. Everything else is mostly the statements or some preliminary steps. The collected information is already available and systematised in the form of a newKSE's status "exited".

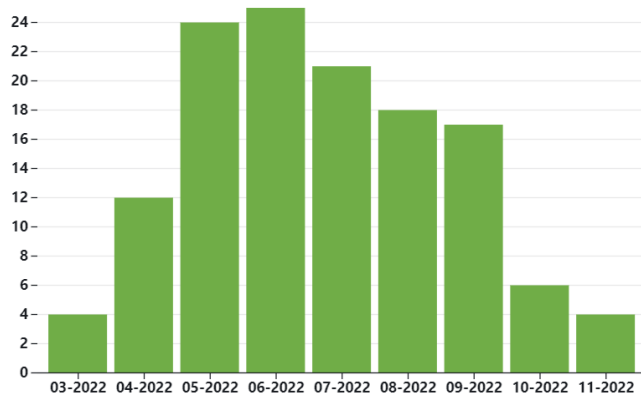
³ On 24 July 2022, we introduced the new status "exited", which reflects the companies' actions to finalise the exit from the Russian market. The status relies on data from the Uniform State Register of Legal Entities in Russia (USRLE or EGRUL) and complementary analysis such as companies' announcements and media publications of company activities. At the same time, companies' activities can be hard to track and can be missed in the analysis, especially for companies less covered in the media. We encourage our readers to inform us if they are familiar with the companies' actions that contradict their announcements about the exit via the [Feedback Form](https://leave-russia.org/) at <https://leave-russia.org/>.

WEEKLY FOCUS: On leaving the Russian Federation: results of November

In our project, we pay special attention to companies that have their own legal entities in Russia. They pay taxes and hire staff. From the total list of more than 3 thousand companies and organisations, we counted about 1.3 thousand such companies. Their total revenue in 2021 in the Russian Federation exceeded USD 290 billion.

And at least [142](#) of them have already sold local companies and left, at least legally, the Russian market. In this digest, we will summarise the latest results for November.

The number of foreign business sales companies in Russia



According to our data, at least four deals took place in November. Here they are:

The sale of "NISSAN MANUFACTURING RUS" LLC (revenue in 2021 - 1,392 million USD, staff - 1,877 people) - the [Nissan](#) car assembly plant in St. Petersburg, which was stopped back in March of this year - gained the most publicity. Formally, according to Russian registers, the deal was closed on November 23, as the Japanese corporation urgently [announced](#) in its short release. The amount of the transaction is 1 ruble. It provides for buyback within 6 years. The buyer is the Russian state institute NAMI.

The second most important deal was the sale of several legal entities by [Baker Hughes](#): JSC "Baker Hughes", LLC "BJ Samotlor Services Vostok", LLC "Oilamp Services", LLC "Orenburgneftegeofizika", LLC "Energo Innovations", LLC "Baker Hughes Services Rus", LLC "Tyumensky Zavod Neftepromyslovogo Oborudovaniya", JSC "Oilamp Service" (total revenue 1,087 million USD, staff - 322 people). The Moscow firm "NEFTESERVYSNYE TECHNOLOGY" became the buyer. The company is owned by three individuals, one of whom is, for example, Oleksandr Monakhov: in the media, he previously appeared as the director of the drilling department in Baker Hughes. Selling a business to local top managers is a common thing. Especially in this case.

Previously, the Russian government recognized these assets as strategic (Baker Hughes is an American international industrial service company and one of the world's largest oil industry service companies), so the deal had to be agreed in the Kremlin. The corresponding [notice](#) is published on the official Internet portal of legal information.

The subject of the third agreement was the property of the American manufacturer of aluminium products [Arconic Corp](#) (JSC "ARKONYK SMZ", revenue in 2021 - 1018 million USD, staff - 1232 people). It was sold to the Russian state metallurgical company "VSMPO-AVISMA" for \$230 million. This was reported by [Reuters](#) with reference to the company's statement. "Operating in Russia has only become more difficult, and our ability to operate in the future is increasingly uncertain in light of the current geopolitical environment," said Arconic Chief Executive Officer Tim Myers.

In addition, it became known about the sale in November German logistics operator [VTG](#) of the Moscow-based "VTG" LLC (\$ 26 million, staff - 22 employees), the tech giant [Nvidia](#) closed its representative office and office in Moscow, and also about the expansion of the franchise [Krispy Kreme](#) with Russian partners (now their business is in the process of rebranding). Also, in November, a secondary agreement on the change of ownership of "Imperial Tobacco Sales and Marketing" LLC took place (revenue 971 million US dollars, staff - 864 employees). In the summer, the British tobacco giant [Imperial Brands](#) sold this asset to a group of unknown individuals. And on November 7, Serhiy Katsiev became the new beneficiary of the business. Katsiev is a [billionaire](#) and owns "Megapolis" company - the largest tobacco distributor in the Russian Federation. Katsiev himself is included in the sanctions list of the NSDC in Ukraine. Katsiev is included in the [sanctions list](#) of the National Security and Defense Council of Ukraine (NSDC) in Ukraine.

The next overview of deals for December 2022 is coming in a month.

What's new last week - key news from Daily monitoring (updated on a weekly basis)⁴

28.11.2022

***Chevron** (USA, Energy, oil and gas) Status by KSE - *leave*

Chevron will be able to expand production and export of Venezuelan oil to replace Russian oil

<https://www.reuters.com/business/energy/us-issues-expanded-license-allow-chevron-import-venezuelan-petroleum-2022-11-26/>

29.11.2022

***Daewoo Shipbuilding & Marine Engineering** (South Korea, Industrial equipment) Status by KSE - *leave*

Daewoo Shipbuilding & Marine Engineering (DSME) has notified the cancellation of the contracts on all three LNG carriers awarded by a Russian client two years ago. The Russian client failed to make payments for the ships on time, amid sanctions by the international community against Russia for the prolonged invasion of Ukraine.

<http://www.businesskorea.co.kr/news/articleView.html?idxno=104900>

***Asics** (Japan, Consumer goods and clothing) Status by KSE - *leave*

ASICS ceased all commercial operations in Russia after the invasion began and has since exited the Russian market.

<https://corp.asics.com/en/russia20221121>

***Bellona** (Netherlands, Energy, oil and gas) Status by KSE - *leave*

Bellona has been working in Russia for more than 30 years. This activity has now been discontinued, and Bellona has opened a new office in Vilnius, Lithuania, where Bellona specialists resettled from Russia will continue to work.

<https://bellona.org/news/nuclear-issues/nuclear-russia/2022-11-bellona-closes-its-offices-in-russia>

01.12.2022

***ONGC Videsh Ltd** (India, Energy, oil and gas) Status by KSE - *stay*

Oil and Natural Gas Corporation (ONGC) has received approval from Russia to retain a 20 percent stake in the Sakhalin-1 oil and gas fields in the far east region of the country, said Rajarshi Gupta, Managing Director of ONGC Videsh.

<https://www.moneycontrol.com/news/business/ongc-retains-20-stake-in-russias-sakhalin-1-9621861.html>

***Uniper SE** (Germany, Energy, oil and gas) Status by KSE - *wait*

Uniper Board Plans 'Maximum Separation' from Russian Business Unit

<https://www.marketscreener.com/quote/stock/UNIPER-SE-31299895/news/Uniper-Board-Plans-Maximum-Separation-from-Russian-Business-Unit-42444310/>

02.12.2022

***Inspire Brands (Dunkin' Donuts, Baskin Robbins)** (USA, Public catering) Status by KSE - *wait*

Following loss of licence Baskin-Robbins becomes BBrandICE in Russia

<https://english.almayadeen.net/news/politics/following-loss-of-license-baskin-robbins-becomes-brandice-in>

***Airbus** (Brazil, Aircraft industry) Status by KSE - *wait*

Airbus To Stop Purchasing Russian Titanium Within Months

<https://simpleflying.com/airbus-stop-russian-titanium-months/>

***Disney** (USA, Entertainment) Status by KSE - *leave*

Disney Channel to stop broadcasting in Russia from Dec. 14

<https://www.reuters.com/business/media-telecom/disney-channel-stop-broadcasting-russia-dec-14-kommersant-2022-12-02/>

03.12.2022

***Google** (USA, Online Services) Status by KSE - *wait*

Google terminates thousand of YouTube channels in China, Russia, Brazil

<https://economictimes.indiatimes.com/tech/technology/google-terminates-thousand-of-youtube-channels-in-china-russia-brazil/articleshow/95976976.cms>

Get more details on a daily basis:

[KSE Telegram bot on news monitoring @exit_ru_bot](#)

[Twitter of SelfSanctions project](#)

[Leave-russia.org website](#)

[BI analytics @ Leave-russia.org](#)

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⁴ Recently, a new section "[Company news](#)" was added to the project site <https://leave-russia.org/>, follow daily updates directly on the site