

# 55th issue of the regular 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; 02.10-15.10.2023. We will continue to provide updated information on a bi-weekly basis.

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](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](#), the [University of St.Gallen Paper](#), [epravda.com.ua](#), [squeezingputin.com](#), <https://bloody.energy/> and [leave-russia.org](https://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 much 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 our [Telegram-bot](#) etc.

KSE Institute and Leave Russia project are the part of [B4Ukraine Coalition](#) since mid-2022.

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

Also, we developed a barcode scanner, which is available here: <https://leaverussia.kse.ua/> (only for mobile devices!) or in our Telegram bot [https://t.me/exit\\_ru\\_bot](https://t.me/exit_ru_bot). It allows you to find any brand or company that is operating in Russia just by scanning barcodes.

## KSE DATABASE SNAPSHOT as of 15.10.2023

Number of the companies **that continue Russian operations** (KSE's status "stay"<sup>1</sup>) – **1 478 (+30 per 2 weeks)**

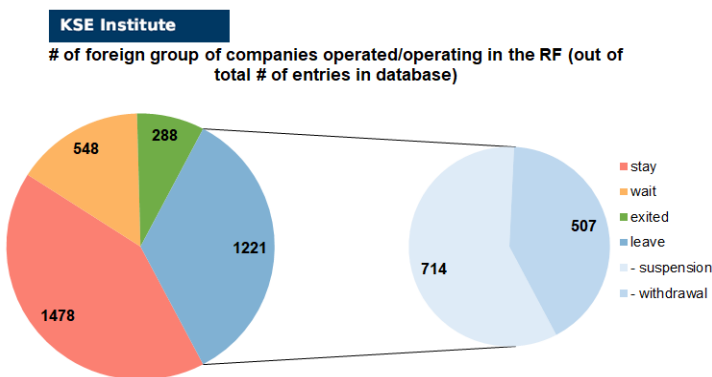
Number of the companies **that have reduced current operations and hold off new Investments** (KSE's status "wait") – **548 (+13 per 2 weeks)**

Number of the companies **that have curtailed Russian operations** (KSE's status "leave") – **1 221 (-4 per 2 weeks)**

Number of the companies **that completed withdrawal from Russia** (KSE's status "exited") – **288 (+4 per 2 weeks)**

As of October 15, we have identified about **3,535 companies, organizations and their brands from 95 countries and 58 industries** and analyzed their position on the Russian market. About 40% of them are public ones, for **~1 510 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 revenue received) and found the data for 2021 before invasion was started, which allowed us to calculate the value of capital invested in the country (about **\$191.0 billion**), local revenue (about **\$307.5 billion**), local assets (about **\$329.9 billion**) as well as staff (about **1.434 million people**) and taxes paid (about **\$25.3 billion**). **1,769 foreign companies** have reduced, suspended or ceased operations in Russia. Also, we added information about **288 companies that have completed the sale/liquidation of their business in Russia** based on the information collected from the official registers.

As can be seen from the tables below, **as of October 15, 288 companies** which had already completely exited from the Russian Federation, in 2021 had at least **484,100 personnel, \$77.3 bn in annual revenue, \$40.8bn in capital and \$66.9bn in assets**; companies, that declared a complete withdrawal from Russia had **254,200 personnel, \$41.9bn in revenues, \$16.8bn in capital and \$27.8bn in assets**; companies that suspended operations on the Russian market had **108,200 personnel, annual revenue of \$30.1bn, \$36.6bn in capital and \$85.7bn in assets**.



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

Country of HQ	# of companies	Industry	# of companies
USA	750	FMCG+Consumer goods	329
Germany	403	Finance and payments	248
Great Britain	271	Electronics	231
China	197	Energy, oil and gas	220
Japan	175	IT	194
France	171	Industrial equipment	178
Switzerland	151	Pharma, Healthcare	173
Italy	122	Automotive	169
Netherlands	100	Food&Beverages	133
Finland	97	Manufacturing	123

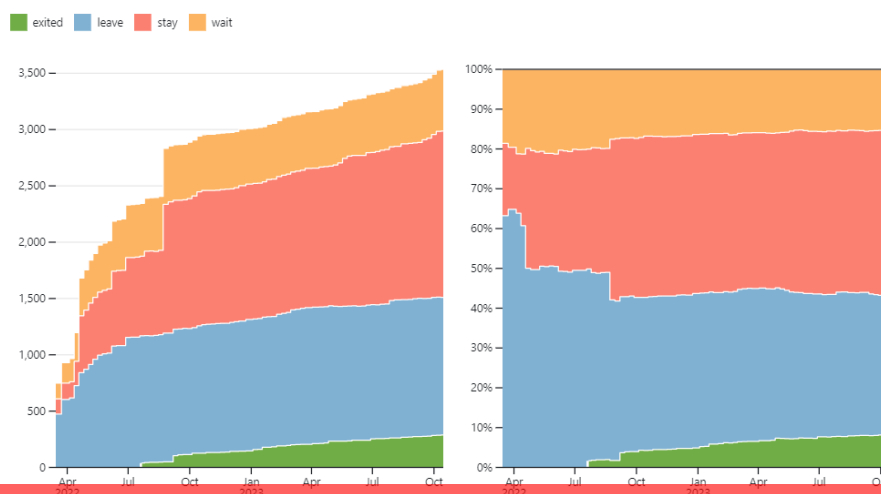
<sup>1</sup> - KSE status "leave" - Companies that have published on the company's official website (or their release has appeared in a foreign publication such as FT, NYT, etc.) that are completely shutting down in Russia or companies that have officially announced that they are temporarily reducing 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 their business/assets or its part of the business to a local partner/terminated relations and left the market. Also, for companies that are being liquidated this status is being assigned

The following table is based on 2021 data available for ~1 510 TOP public companies operated/operating in RF<sup>2</sup>:

KSE Institute						
Status by KSE	# of companies with revenue in KSE database	Number of staff in RF, 2021	Revenue in RF, 2021, USD m	Capital in RF, 2021, USD m	Assets in RF, 2021, USD m	Taxes in RF, 2021, USD m
exited	288	484 073	77 339	40 807	66 850	4 811
leave, including:	321	362 310	71 917	53 342	113 511	2 301
<i>complete withdrawal</i>	141	254 156	41 861	16 762	27 835	1 561
<i>suspended operations</i>	180	108 154	30 056	36 580	85 676	740
wait	237	146 220	62 454	44 640	48 342	3 991
stay	664	441 809	95 810	52 249	101 209	14 199
<b>Total</b>	<b>1 510</b>	<b>1 434 412</b>	<b>307 520</b>	<b>191 038</b>	<b>329 912</b>	<b>25 301</b>

If since the beginning of the Russian invasion of Ukraine, the percentage of companies that closed operations in Russia has risen sharply by mid-April 2022, in the last 13 months 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 (by adding new companies to the database, 43 were added in October 2023). However, **if to operate with the total numbers in KSE database**, about 34.5% of foreign companies have already announced their withdrawal from the Russian market or suspended their activity, but another 41.8% are still remaining in the country, 15.5% are waiting and only 8.1% made a complete exit<sup>3</sup>.

At the same time, it is difficult not to overestimate the impact on the Russian economy of only 288 companies that completely left the country, since in 2021 they employed 33.7% of the personnel employed in foreign companies, the companies owned about 20.3% of the assets, had 21.4% of capital invested by foreign companies, and in 2021 they generated revenue of \$77.3 billion or 25.1% of total revenue and paid ~\$4.8 billion of taxes or 19.0% of total taxes paid by the companies observed. Data on 1,510 TOP companies is presented in the table above.

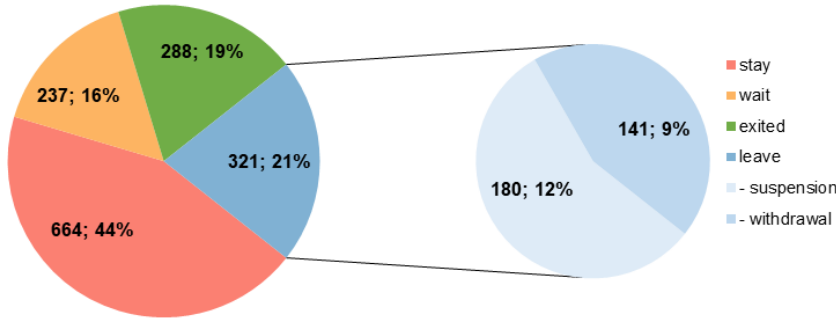


**To avoid misinterpretations of figures, we would like to stress once again that the KSE Institute database contains financials on approximately 1,510 unique foreign groups of companies, which participate in approximately 2,000 local legal entities. And the total number of entries - is already 3535+ and is constantly growing. It means that the most correct way to calculate the real % of different statuses vs totals would be to take only those companies where we have financials collected in our database. For the rest of the companies we were not able yet to identify companies represented in Russia with revenue earned physically in the country. Those are mainly the foreign companies that have trading relationships with Russia or, for example, Sport (86 entries) & other Associations and NGOs (22 entries), Travel and cruise companies (24 entries), Media (42 entries), Films (17 entries) and Entertainment (24 entries) or companies which never had even representative offices in the country. In our opinion, much more accurate would be to base the calculations of real exits or % of other statuses in comparison with those ~1,510 unique foreign companies where we were able to identify revenue received in Russia by local companies established. For more information - please see the next Charts with details:**

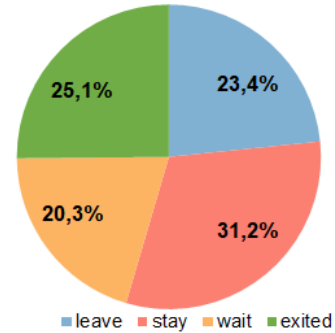
<sup>2</sup> When we analyze # of local companies, # of staff and local financials (such as revenue, capital, assets, taxes paid) - KSE Institute uses data according to Russian Accounting Standards (or RAS) from the [official EGRUL register](#), all steps how we do it are explained in detail in [the Methodology we published here](#). The key source for local financials is data from the Federal Tax Service of Russia. The latest available consolidated data for each group's largest Russian units reported in line with local accounting standards excluding intragroup eliminations and other IFRS or GAAP adjustments. More details are [available here](#).

<sup>3</sup> On 24 July 2022, we introduced the new status "exited", which reflects the companies' actions to finalize 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](#) at <https://leave-russia.org/>.

# of foreign group of companies with revenue for 2021 in the RF identified



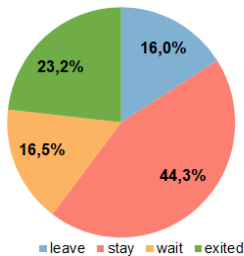
Share of revenue for 2021 by KSE statuses for ~1510 companies with financials



As it is visible on the charts based on data for 2021 above, % of **exited** is obtained based on number of companies (19%) and on share of revenue withdrawn (25.1%). At the same time, a totally different picture is for those who are still **staying** - 44% of companies represent 31.2% of revenue and 16% of **waiting** companies represent 20.3% of revenue generated in Russia. The conclusion could be that smaller companies with lower revenue prefer to stay and those who have higher revenue are more eager to wait, limiting their investments as an excuse (at the same time they continue to earn and reinvest their local profit).

KSE Institute has already collected and analyzed data on revenue, capital, assets and net income (profit or loss) in **2022** for ~1420 companies (about 90 companies the data of which we have collected previously have not provided their reporting) and provides below the detailed analysis, more details will be provided further, once we have complete information.

Share of revenue for 2022 by KSE statuses for ~1420 companies with financials



Status by KSE	# of companies with revenue in KSE database	Revenue in RF, 2022, USD m	Capital in RF, 2022, USD m	Assets in RF, 2022, USD m	Net income in RF, 2022, USD m
exited	288	51 993	22 564	50 131	3 918
leave, including:	297	35 769	42 133	107 980	-649
complete withdrawal	130	23 196	11 260	26 887	-408
suspended operations	167	12 573	30 872	81 093	-241
wait	217	36 902	19 872	45 060	1 222
stay	616	99 285	41 942	121 856	9 839
<b>Total</b>	<b>1 418</b>	<b>223 948</b>	<b>126 511</b>	<b>325 027</b>	<b>14 331</b>

As you can see from the charts above, companies which **fully exited** Russia were able to generate 1.9% less of revenue in 2022 (23.2% from total volume) than in 2021 (25.1% from total volume, which is clear as most of them left the country before the year-end). **Leaving companies** also generated much less (-7.4%) revenue in 2022 (16.0% from total volume) than in 2021 (23.4% from total volume). At the same time, **staying** companies were able to generate much (+13.1%) more revenue in 2022 (44.3% from total volume) than in 2021 (31.2% from total volume). Companies with status “**wait**”<sup>4</sup> gained a lower share (-3.8%) of revenue in 2022 (16.5% from total volume) vs 20.3% from total volume in 2021. So the key conclusion is that money matters for those companies who are still tied with its local business in Russia.

Summarizing the results of new data received for 2022 and comparing it with 2021 we can see the positive trends in terms of significant revenue and capital decline. Only assets have almost not changed (\$325.0bn<sup>5</sup> in 2022 vs \$329.9bn in 2021) and will probably even increase once we receive remaining reporting for ~90-100 companies (until companies decide not to disclose it). KSE Institute has published before a large-scale study "[How the income of foreign businesses in the Russian Federation has changed in 2022 and why so many companies still do not leave](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4453963)". You can familiarize yourself with the English version by downloading the report at the following link: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4453963](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4453963).

In July 2023, the KSE Institute jointly with the B4Ukraine coalition partners published a new research entitled “The Business of Staying: a closer look at multinational revenues and taxes in Russia in 2022”, you can download its full text in English using the following links: <https://kse.ua/wp-content/uploads/2023/07/The-Business-of-Staying-1.pdf> and <https://b4ukraine.org/pdf/BusinessOfStaying.pdf>. Also, in September 2023, the KSE Institute jointly with the B4Ukraine coalition partners published another research entitled “The Business of Leaving: How Multinationals Can Responsibly Exit Russia”, you can download its full text in English here: [https://b4ukraine.org/pdf/B4Ukraine\\_Business\\_of\\_Leaving\\_report.pdf](https://b4ukraine.org/pdf/B4Ukraine_Business_of_Leaving_report.pdf)

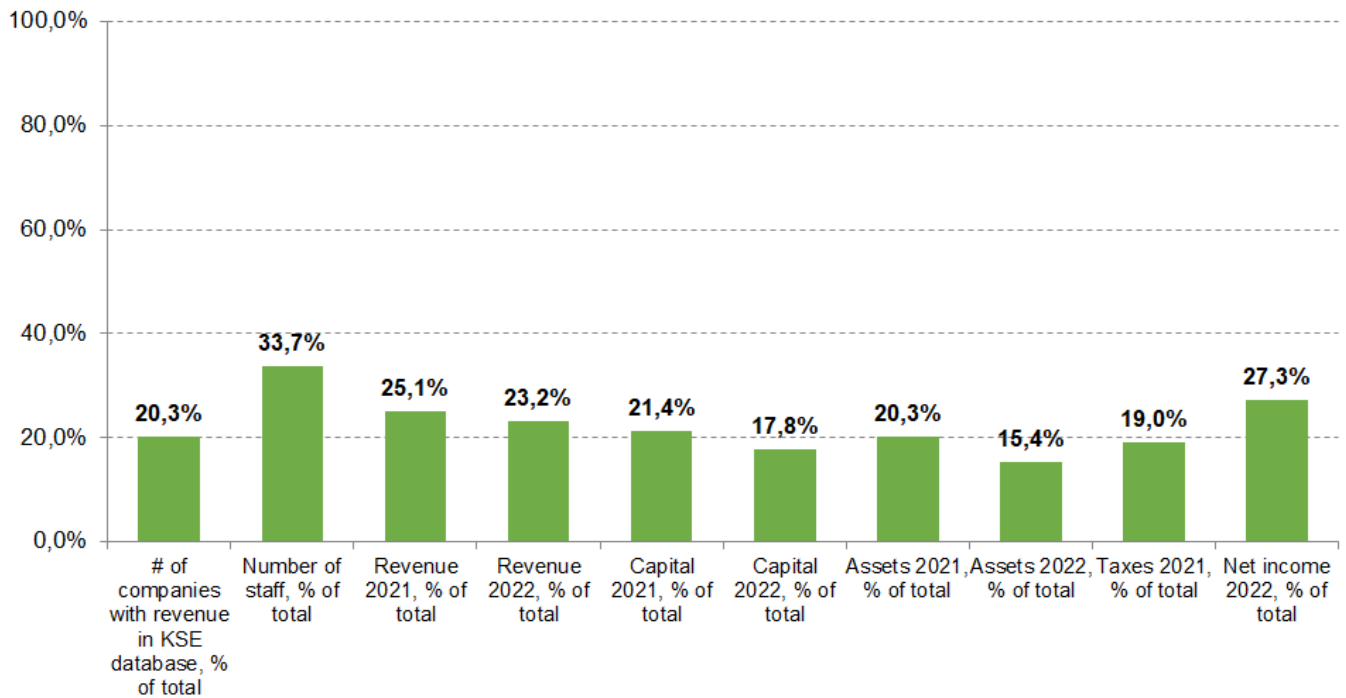
<sup>4</sup> After 18 months of war started by Russia in Ukraine we assume that there was quite enough time to make the decision to leave the country-aggressor for all international business. That’s why for KSE Institute companies marked with statuses “stay” and “wait” essentially there are no significant differences.

<sup>5</sup> Increase in assets vs previous data is explained by adding newly collected information on the bank’s assets which was not available before.

Current progress of Exiters vs others is the following:

KSE Institute

### % of companies exited from Russia with sale or liquidation and key statistics



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

#### Key updates from the latest Russian news:

##### The Ministry of Economic Development proposed a “Chinese membrane” to solve the problem of the ruble exchange rate

25.09.2023 | An analogue of the “Chinese model” could become a solution to the problem with the ruble exchange rate, says Minister of Economic Development Maxim Reshetnikov. The head of the Ministry explained that it is necessary to track “how many rubles are circulating abroad, how they get there, how the flows are going.” Reshetnikov said that the Ministry is waiting for proposals from the Central Bank.

<https://www.rbc.ru/economics/25/09/2023/651125db9a794725d9880e05>

##### Forbes: Leroy Merlin topped the ranking of the largest foreign companies according to Forbes

02.10.2023 | Forbes has compiled an annual list of the 50 largest foreign companies in Russia based on the results of 2022. The rating has been updated by almost half - 22 companies dropped out due to the sale, suspension or closure of business in Russia, their place was taken by new participants - primarily from China, Turkey and even Belarus. Companies from the USA retained the largest representation in the ranking.

<https://www.forbes.ru/biznes/497011-lerua-merlen-vozglavila-rejting-krupnejsih-inostrannyh-kompanij-po-versii-forbes>

<https://www.forbes.ru/biznes/497010-50-krupnejsih-inostrannyh-kompanij-v-rossii-2023-rejting-forbes>

##### The government has increased the tax on companies leaving Russia: the contribution of companies leaving the Russian Federation will be increased to 15%

03.10.2023 | Director of the Department of Financial Policy of the Ministry of Finance Ivan Chebeskov reported that the government commission, which allows foreign enterprises to leave the Russian market, raised the amount of voluntary contributions to the budget from 10 to 15% of the market value of assets. A 10% fee was applied for transactions with a discount of more than 90%. If the discount is less, then the payment amount is at least 5% of the market value of the organization’s assets. The commission is increasing fees in order to fulfill the 2023 budget—receipts to the state treasury from fees from leaving companies should amount to 114.5 billion rubles.

<https://iz.ru/1582815/maria-stroiteleva/po-dobroi-dole-vznos-ukhodiashchikh-iz-rf-kompanii-uvlichat-do-15>

## **In 2023, foreign investors won about half of the disputes with the Federal Customs Service and the Federal Tax Service**

05.10.2023 | According to the Chairman of the Supreme Court of the Russian Federation Vyacheslav Lebedev, "in the first half of 2023, the courts of the Russian Federation satisfied 52% of the claims of foreign entities to challenge the actions of customs authorities and 74% of claims for compensation for damage caused by customs authorities. In disputes with tax authorities, foreign legal entities won in 49% of cases." <https://tass.ru/ekonomika/18916113>

## **Indian company Sentro Group acquired a controlling stake in the Russian bank "Mir Privilege"**

05.10.2023 | Indian Sentro Group acquired 50.001% of the Russian bank "Mir Privilege" (or "The World of Privileges"). The group said it aims to simplify transactions between India and Russia. According to the Press Trust of India (PTI), the future work of Sentro Group and the Russian bank is to support payments for travelers from Russia and India.

<https://frankmedia.ru/142048>

## **RBC: a record number of foreign brands came to Russia in four years**

05.10.2023 | From January to September 2023, 16 new foreign companies entered the Russian market in the clothing, footwear and household goods segment, according to the consulting company NF Group (formerly Knight Frank Russia). The figure has become a record for the last four years.

<https://www.kommersant.ru/doc/6253703> ; <https://www.rbc.ru/business/05/10/2023/651d4ba69a7947f63e85ef14>

## **Labor productivity in Russia fell for the first time since 2015**

09.10.2023 | Rosstat reported a decrease in labor productivity in the Russian Federation in 2022 by 3.6%. This is the biggest drop since 2009, when labor productivity fell 4.1%.

<https://www.moscowtimes.ru/2023/10/09/vlasti-konstatirovali-padenie-proizvoditelnosti-truda-v-rossii-a109280>

## **Russian businesses are hiring teenagers en masse due to staff shortages**

09.10.2023 | Russian employers have begun to hire teenagers more often due to a growing shortage of personnel. The number of vacancies for candidates aged 14 to 17 years in the summer of 2023 increased by 454% compared to last year, [Vedomosti](#) writes, citing data from the job search service HeadHunter.

<https://www.moscowtimes.ru/2023/10/09/rossiiskii-biznes-massovo-nanimaet-podrostkov-iz-za-defitsita-kadrov-a109310>

## **Putin obliged exporters to sell foreign currency earnings to stabilize the ruble**

11.10.2023 | Russian President Vladimir Putin signed a decree "On the implementation of the mandatory sale of proceeds in foreign currency received by individual Russian exporters under foreign trade agreements." The decree applies to 43 groups of companies that belong to the fuel and energy complex, ferrous and non-ferrous metallurgy, chemical and forestry industries, and grain farming. Measures have been taken to stabilize the ruble exchange rate. According to the decree, mandatory repatriation and sale of foreign currency earnings on the Russian market is introduced for certain companies for a period of 6 months. <https://www.kommersant.ru/doc/6268009>

## **Trade turnover between Russia and China over the nine months increased by 29.5%, to \$176.4 billion**

13.10.2023 | During the reporting period, China imported goods worth \$81.4 billion to Russia, which is 56.9% more than year-on-year. Supplies from Russia to China increased by 12.7%, to almost \$94.9 billion. This was reported by RIA Novosti with reference to data from the PRC Customs Administration. <https://www.kommersant.ru/doc/6268798>

## **The authorities will create a monitoring system for the withdrawal of currency from Russia in order to control the ruble exchange rate**

13.10.2023 | Faced with the reluctance of large businesses to sell foreign currency earnings, the government decided to create a system for monitoring foreign exchange transactions that would allow monitoring the outflow of capital from Russia, a senior official told Kommersant. According to him, constant monitoring of the withdrawal of currency from the country should become a strategic measure to control the ruble exchange rate. Work on creating such a system is already "underway," he added.

<https://www.moscowtimes.ru/2023/10/13/vlasti-sozdadut-sistemu-monitoringa-vivoda-valyuti-iz-rossii-chtobi-kontrolirovat-ku-rs-rublya-a109931>

## **The government disclosed the parameters for the sale of foreign currency earnings by exporters**

13.10.2023 | Exporters will have to return at least 80% of foreign currency earnings to the country, and sell 90% of the foreign currency received into Russian accounts.

<https://www.forbes.ru/finansy/498387-pravitel-stvo-raskrylo-parametry-prodazi-valutnoj-vyrucki-eksporterami>

## WEEKLY FOCUS: Russia's loss of its own human capital as punishment from Western sanctions and the war started

Human resource, along with land and other assets, is one of the factors of production, with the help of which the country's GDP is formed. Human intellectual capital is a key component of the production cycle, without whose participation the functioning and very existence of economic processes is impossible. Intellectual human capital is the main catalyst of economic development and is able to create innovations, which is necessary for the industrial development of the country.

In 2014, 203,600 people emigrated from Russia as a result of the imposed Western sanctions against Russia, after the Russian annexation of Crimea. Western sanctions against Russia already in 2014 limited Russian companies' access to foreign capital, and many Russian entrepreneurs and investors decided to work outside Russia<sup>6</sup>.

After February 24 2022, when Russia launched a full-scale war in Ukraine, many Russians decided to leave Russia amid increased Western sanctions. For some, this is a temporary solution. Others realize that they may never return to their country. As a result, Russia is experiencing the fastest population outflow since the Bolshevik Revolution of 1917, when millions of wealthy citizens and intellectuals fled the country. Such a loss of human capital by Russia threatens a crisis for a number of sectors of the Russian economy – from state media to the aerospace industry. After all, emigration is a strong social and economic indicator.

Mobilization, the flight of hundreds of thousands of Russians abroad as a result of Western sanctions turned out to be a shock for the real sector of the Russian economy, in particular, all this leads to the deterioration of Russian economic dynamics associated with both demand and supply shocks in the labor market. At the same time, the number of jobs in the labor market is decreasing due to the exit of foreign companies from the Russian market. In particular, the reduction of supply on the labor market is felt both due to the departure of highly qualified labor and the outflow of migrants, which was complicated by remittances in Russia. The rapid migration of intellectuals is capable of undermining a number of sectors of the Russian economy.

***For reference:*** before the beginning of Russian large-scale aggression against Ukraine, there were about 2 million Russians in foreign business directly, and another 4 to 6 million people were indirectly associated with foreign business (buyers/suppliers)<sup>7</sup>.

The population of Russia has been decreasing since 2018, in 2022 it fell by 533,000 people and on January 1, 2023 it amounted to 146.45 million people<sup>8</sup>.

Against the background of Western sanctions, in response to the large emigration of its own citizens from Russia, in May 2023 the President of Russia introduced changes to the Concept of Russia's migration policy for 2019-2025. In particular, the requirement to take "additional measures to create attractive financial, social and other mechanisms for preserving human capital, reducing the outflow of the Russian population abroad" was added. Simplification of obtaining Russian citizenship is indicated for those who permanently live in the country and have one parent with a Russian passport, as well as Russian-speaking foreigners (citizens of Belarus, Kazakhstan, Moldova, Ukraine, etc.)

Taking this into account, an acute crisis was avoided: unemployment (at least officially) at the end of last year and at the beginning of this year was at record low levels. But in 2023, the labor market is waiting for active adaptation to the existing conditions. First, the effects related to labor migration will become more apparent. Secondly, the structure and model of employment on the labor market will change as the economy transforms, which will enter an active phase this year. In particular, the shortage of personnel is a key problem in 2023 for the Russian labor market - an acute shortage of qualified personnel. Indirectly, this problem is evidenced by the record low level of unemployment. In November 2022, this indicator updated the historical minimum and decreased to 3.7%<sup>9</sup>.

***For reference:*** the biggest shortage of personnel in 2022 was recorded at light industry enterprises - 70%, in mechanical engineering - 35% and in food production - 25%<sup>10</sup>.

<sup>6</sup> <https://www.newsru.com/world/27oct2014/russia.html>

<sup>7</sup> [https://www.raexpert.ru/researches/sancinomics\\_2022/](https://www.raexpert.ru/researches/sancinomics_2022/)

<sup>8</sup> <https://www.rbc.ru/economics/13/04/2023/64368b0a9a7947a647a61a2c>

<sup>9</sup> <https://www.vedomosti.ru/economics/articles/2023/01/18/959434-kadrovii-golod-i-lokalnaya-bezrabotitsa>

<sup>10</sup> <https://www.vedomosti.ru/economics/articles/2023/01/18/959434-kadrovii-golod-i-lokalnaya-bezrabotitsa>

Also, it is worth noting that for earners from Central Asian countries in Russia, the conditions for converting their Russian earnings into US dollars and national currencies have deteriorated significantly. At the same time, the outflow of labor migrants is associated with the economic situation that has developed in Russia

**For reference:** the total number of earners from the countries of Central Asia in Russia reached from 4 to 6 million people, and in 2023 their earnings in Russia collapsed by at least 20%.

It should be noted separately **about the lack of qualified personnel in the Russian IT industry**, which is from 500,000 to 1 million people and may increase to 2 million specialists by 2027, respectively<sup>11</sup>.

The manufacturing industry in Russia also faced a record shortage of personnel, according to a study by the Gaidar Institute. A July survey showed that 42% of enterprises are experiencing a shortage of personnel. At the time of the previous survey in April, 35% of companies reported a lack of employees. It is noted that a similar level of personnel shortage has become the maximum since 1996<sup>12</sup>.

At the same time, the official unemployment rate in the Russian Federation in July reached a historic low of 3%, Rosstat said (but everyone understands that recently they are simply "drawing" the data needed by the authorities). According to the agency, salaries in the Russian Federation in June rose by 10.5% in real terms after a jump of 13.3% in May<sup>13</sup>.

According to analysts, wage growth is supported by a labor shortage. The incomes of workers in manufacturing industries increased the most — by 15.9% year-on-year. On average, the highest median salaries were among workers engaged in mining (86,000 rubles), in the finance and insurance sector (68,900 rubles) and for IT & communication specialists (68,100 rubles). The lowest salaries are in the field of administrative activity (39.8 thousand rubles). Website hh.ru noted that after a significant devaluation of the ruble, salaries in Russia have increased by 46% since the beginning of the year. The main factor is also the shortage of workers against the background of record low unemployment<sup>14</sup>.

**As for labor productivity in Russia, it fell for the first time since 2015.** Rosstat reported a decrease in labor productivity in the Russian Federation in 2022 by 3.6%. This is the biggest drop since 2009, when labor productivity fell by 4.1%. Good economic indicators, which officials juggle, mask serious problems. Labor productivity in Russia decreased by 3.6% in 2022, Rosstat reported on Friday, October 6, 2023 (these data are published with a long delay). This is the biggest drop since 2009, it was worse (-4.1%) only during the strongest post-Soviet economic downturn in 2009. In the next crisis, in 2015, productivity decreased by 2.3%.

Many experts say that sustainable economic growth is impossible without increasing productivity. Back in 2019, Central Bank analysts noted that the extensive factors that ensured rapid GDP growth in Russia in the 2000s (recovery after the transformational recession and a favorable external environment) had exhausted themselves and now acceleration of growth "is possible only on the basis of intensive factors, all productivity growth".

The productivity and quality of the manufactured products will most likely decrease due to the transition to alternative supplies, reflected the chief analyst of the Radkombank Nataliya Vashchelyuk, but the consequences for the mass consumer may become noticeable, rather, in a few years. Limiting Russia's access to global markets, skilled human capital and productivity-enhancing technologies makes medium-term growth rates uncertain, a recent World Bank report said<sup>15</sup>.

However, Russia may not get a million professional workers. The reason is the reduction of costs for the "Professionalism" project, which finances secondary vocational education<sup>16</sup>.

**Russian business also massively hires teenagers due to a shortage of personnel.** Russian employers began to hire teenagers more often due to the growing shortage of personnel. The number of vacancies for candidates aged 14 to 17 in the summer of 2023 increased by 454% compared to last year, Vedomosti writes<sup>17</sup> with reference to data from the HeadHunter job search service.

<sup>11</sup> [https://www.ng.ru/economics/2022-03-03/4\\_8385\\_migrants.html](https://www.ng.ru/economics/2022-03-03/4_8385_migrants.html)

<sup>12</sup> <https://www.kommersant.ru/doc/6137794>

<sup>13</sup> <https://lenta.ru/news/2023/08/30/minimum/>

<sup>14</sup> <https://www.kommersant.ru/doc/6252347>

<sup>15</sup> <https://www.moscowtimes.ru/2023/10/09/vlasti-konstatirovali-padenie-proizvoditelnosti-truda-v-rossii-a109280>

<sup>16</sup> <https://www.vedomosti.ru/society/articles/2023/10/13/1000378-schetnaya-palata-ukazala-na-nedofinansirovannost-sferi-professionalnogo-obrazovaniya>

<sup>17</sup> <https://www.vedomosti.ru/management/articles/2023/10/09/999449-rossiiskie-rabotodateli-nachali-chasche-brat-na-rabotu-podrostkov>

According to HeadHunter, in the summer of 2022, only 1.8 thousand vacancies were available for teenagers applicants, and in the summer of 2023 there were already 10 thousand. About 29% of Russian schoolchildren got a job during the holidays, according to a study by the Maximum Education company and the Robota.ru service. More than 370,000 teenagers have been employed through the employment service since the beginning of the year — 6% of the total number of minors in the country, Mykhailo Kirsanov, director of the employment department of the Ministry of Labor, said in July.

In August of this year, according to HeadHunter, the majority of offers for teenagers fell on the position of courier — about 1,200 vacancies. This was followed by vacancies for sellers, promoters, call center operators and packers. They also actively recruited employees from 14 to 17 years of age for fast food chains and cafes, said Andriy Tarasov, director of the employment service for the population in Moscow<sup>18</sup>.

***According to the latest analysis of KSE Institute, foreign companies reduced their staff in 2022 compared to 2021 by more than 230 thousand persons. About 500,000 more employees were partly dismissed or their salary conditions significantly changed due to the exit from the country of 288 foreign companies and the change of their owners to local legal entities and private individuals.***

Considering the above, it is worth noting the following. The prospects for the return of Russian specialists to Russia directly depend on the further actions of the Russian leadership. However, it is already clear that the mass departure has a strong impact on the state of the Russian economy. As long as key experts continue to leave Russia, Russia's technological lag behind the West amid Western sanctions will only increase. At the same time, one of the triggers for the outflow of Russian specialists was the outflow of foreign specialists from Russia, which leads to the destruction of Russia's economic, production, logistics, and technological ties with a significant part of the world.

The effect of Western sanctions will be long-term for the Russian economy. The mass departure of Russian specialists abroad, along with the direct victims of the war, will reduce the already small cohort of Russian citizens at the peak of working age, because the main problem is not the loss of workers, but the leakage of qualified personnel. People who go tend to be better off and better educated. After all, you can't run away with an empty wallet.

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<sup>18</sup> <https://www.moscowtimes.ru/2023/10/09/rossiiskii-biznes-massovo-nanimaet-podrostkov-iz-za-defitsita-kadrov-a109310>



## What's new last month - key news from Daily monitoring (updated on a bi-weekly basis)<sup>19</sup>

01.10.2023

\***International Paralympic Committee (IPC)** (Germany, Sport) Status by KSE - *stay*

Russian athletes to compete as neutrals at Paris Paralympics, IPC says

<https://www.reuters.com/sports/russian-athletes-compete-paris-paralympics-after-ipc-votes-against-full-ban-2023-09-29/>

\***Microsoft** (USA, IT) Status by KSE - *leave*

Russian companies will soon not be able to use official Microsoft products. Since October 1, the corporation no longer extends licenses for its software.

<https://tass.ru/ekonomika/18874539>

\***Dynacom Tankers Management (DTM)** (Greece, Marine Transportation) Status by KSE - *stay*

\***Delta Tankers** (Greece, Marine Transportation) Status by KSE - *stay*

\***Thenamaris** (Greece, Marine Transportation) Status by KSE - *stay*

\***Minerva Marine** (Greece, Marine Transportation) Status by KSE - *stay*

\***Minerva Marine** (Greece, Marine Transportation) Status by KSE - *stay*

\***OTP Bank** (Hungary, Finance and payments) Status by KSE - *stay*

NACP suspends 5 Greek shipping companies and OTP Bank from the list of international sponsors of war while negotiations are underway

<https://nazk.gov.ua/en/news/dialogue-has-started-nacp-suspends-5-greek-shipping-companies-and-otp-bank-from-the-list-of-international-sponsors-of-war-while-negotiations-are-underway/>

\***LVMH** (France, Consumer goods and clothing) Status by KSE - *leave*

LVMH Billionaire Bernard Arnault Probed Over Possible Money Laundering

<https://www.bloomberg.com/news/articles/2023-09-29/arnault-businessman-sarkisov-probed-over-real-estate-deals?srnd=premium-europe>

\***ExxonMobil** (USA, Energy, oil and gas) Status by KSE - *wait*

The government decided to sell Exxon's stake in Sakhalin-1 to a Russian legal entity

<https://www.rbc.ru/business/29/09/2023/6516f28f9a794786e99e211c>

02.10.2023

\***Arabian Business** (United Arab Emirates, Media) Status by KSE - *stay*

Arabian Business launches Russian language edition

<https://www.arabianbusiness.com/industries/media/arabian-business-launches-russian-language-edition>

\***Flowbird** (France, Online Services) Status by KSE - *leave*

The Flowbird company announced the termination of support for the software and hardware of parking meters in Russia.

<https://www.moscowtimes.ru/2023/10/04/parkomati-perestali-rabotat-vo-vtorom-gorode-rossii-iz-za-sanktsii-es-a108883>

\***Cnergyico** (Pakistan, Energy, oil and gas) Status by KSE - *stay*

Cnergyico imports Pakistan's first private-sector Russian crude cargo

<https://www.reuters.com/markets/commodities/cnergyico-imports-pakistans-first-private-sector-russian-crude-cargo-2023-10-02/>

\***Acer** (Taiwan, Electronics) Status by KSE - *stay*

Taiwan's Acer ships computer hardware to Russia after saying it would suspend business

<https://www.reuters.com/technology/taiwans-acer-ships-computer-hardware-russia-after-saying-it-would-suspend-2023-06-08/>

\***Strabag** (Austria, Construction & Architecture) Status by KSE - *leave*

Strabag to issue new shares to reduce sanctioned Russian businessman's stake

<https://www.reuters.com/markets/deals/strabag-issue-new-shares-reduce-sanctioned-russian-businessmans-stake-2023-10-02/>

\***Leroy Merlin** (France, FMCG) Status by KSE - *stay*

\***Nestle** (Switzerland, FMCG) Status by KSE - *stay*

\***CP Foods** (Thailand, Food & Beverages) Status by KSE - *stay*

\***Polymetal** (Kazakhstan, Metals and Mining) Status by KSE - *leave*

\***BBK Electronics** (China, Electronics) Status by KSE - *stay*

"Leroy Merlin" topped the rating of the largest foreign companies according to Forbes

<https://www.forbes.ru/biznes/497011-lerua-merlen-vozglavila-rejting-krupnejsih-inostrannyh-kompanij-po-versii-forbes>

03.10.2023

\***SMBC Aviation Capital** (Ireland, Air transportation) Status by KSE - *leave*

"Aeroflot" agreed on an insurance settlement for 17 aircraft

<https://www.kommersant.ru/doc/6252115>

\***China National Offshore Oil Corporation (CNOOC Group)** (China, Energy, oil and gas) Status by KSE - *stay*

\***Sinopec Limited (China Petroleum & Chemical Corporation)** (China, Chemical industry) Status by KSE - *stay*

\***China National Petroleum Corporation** (China, Energy, oil and gas) Status by KSE - *stay*

<sup>19</sup> "[Company news](https://leave-russia.org/)" section is available on the project site <https://leave-russia.org/>, follow daily updates directly on the website

NACP adds the three largest Chinese oil and gas companies to the list of international sponsors of war

<https://nazk.gov.ua/en/news/oil-gets-even-darker-nacp-adds-the-three-largest-chinese-oil-and-gas-companies-to-the-list-of-international-sponsors-of-war/>

\***Damen Group** (Netherlands, Defense) Status by KSE - *leave*

Largest Dutch Shipbuilder Sues Government Over Russia Sanction Losses

<https://www.bloomberg.com/news/articles/2023-10-03/largest-dutch-shipbuilder-sues-state-over-russia-sanction-losses>

\***Carlsberg Group** (Denmark, Alcohol & Tobacco) Status by KSE - *leave*

Russia's Largest Brewery Drags Carlsberg To Court For Terminating Licence Amid War

<https://www.republicworld.com/world-news/russia-ukraine-crisis/russias-largest-brewery-drags-carlsberg-to-court-for-terminating-licence-amid-war-articleshow.html>

\***OMV** (Austria, Energy, oil and gas) Status by KSE - *stay*

Austria's OMV no longer dependent on Russian supply, CEO says

<https://www.thenationalnews.com/business/energy/2023/10/03/austrias-omv-no-longer-dependent-on-russian-supply-ceo-says/>

\***UBS** (Switzerland, Finance and payments) Status by KSE - *wait*

UBS (owner of Credit Suisse which has big Triangle operation) denies investigation into Russia ties

<https://wraltechwire.com/2023/10/02/ubs-owner-of-credit-suisse-which-has-big-triangle-operation-denies-investigation-into-russia-ties/>

\***UEFA** (Switzerland, Sport) Status by KSE - *wait*

UEFA has appointed the head of the Russian referees for the Shakhtar match in the Champions League

<https://news.obozrevatel.com/ukr/sport/football/uefa-priznachiv-golovu-rosijskih-suddiv-na-match-shahartarya-u-lizi-chempioniv.htm>

\***Burger King** (USA, Public catering) Status by KSE - *wait*

Burger King still open in Russia despite pledge to exit

<https://www.bbc.com/news/business-66739104>

#### 04.10.2023

\***Carlsberg Group** (Denmark, Alcohol & Tobacco) Status by KSE - *exited*

Carlsberg has written down the entire value of its Russian business and terminated agreements allowing the local subsidiary to sell the company's products.

<https://www.ft.com/content/578cd154-2ab8-41d7-9308-54fc986946bd>

<https://www.carlsberggroup.com/newsroom/carlsberg-group-terminates-license-agreements-in-russia/>

Carlsberg prepares for fight over Russian unit's right to sell its brands

<https://www.ft.com/content/985b3b07-70e7-4da6-b735-7249e729a152>

\***International Olympic Committee (IOC)** (Switzerland, Sport) Status by KSE - *wait*

Russia boycotts the 2024 Olympics in Paris (Russian Olympic Committee)

<https://www.africanews.com/2023/10/05/russia-boycotts-the-2024-olympics-in-paris-russian-olympic-committee/>

Russian athletes were denied participation in the 2024 Youth Olympic Games

<https://lenta.ru/news/2023/10/04/noolympic/>

\***Nokian Tyres** (Finland, Automotive) Status by KSE - *exited*

This year, several tire factories in the Russian Federation changed owners at once.

<https://www.kommersant.ru/doc/6252578>

\***KIA Motors** (South Korea, Automotive) Status by KSE - *wait*

\***Hyundai** (South Korea, Automotive) Status by KSE - *leave*

HYUNDAI AND KIA SELL THE REMAINS AND WIND BUSINESS? HEARING CHECKED

<https://www.zr.ru/content/news/947583-hyundai-i-kia-svorachivayut-bizn/>

\***Lamborghini** (Italy, Automotive) Status by KSE - *wait*

\***Bentley** (Great Britain, Automotive) Status by KSE - *leave*

\***Rolls Royce** (Great Britain, Aircraft industry) Status by KSE - *wait*

\***Ferrari** (Italy, Automotive) Status by KSE - *leave*

In 2023, 43 Lamborghini cars, 30 Bentley Bentayga cars, 32 Rolls-Royce Cullinan cars and nine Ferrari Roma cars were bought in Russia. All cars and spare parts for them are supplied by parallel import.

<https://ru-auto.livejournal.com/44310055.html>

\***Binance** (China, Finance and payments) Status by KSE - *leave*

CommEX struggles to attract Russian clients as Binance exits

<https://crypto.news/commex-struggles-to-attract-russian-clients-as-binance-exits/>

#### 05.10.2023

\***Tecno Mobile** (China, Electronics) Status by KSE - *stay*

\***Realme** (China, Electronics) Status by KSE - *stay*

Chinese manufacturers of smartphones, tablets, laptops and other electronics Tecno and Realme plan to open brand stores in the Russian Federation in 2024.

<https://www.kommersant.ru/doc/6253420>

\***Beijing Yunze Technology Co. Ltd.** (China, Defense) Status by KSE - *stay*

Chinese Firm Sold Satellites for Intelligence to Russia's Wagner

<https://www.themoscowtimes.com/2023/10/05/chinese-firm-sold-satellites-for-intelligence-to-russias-wagner-contract-a82672>

\***Xiaomi** (China, Electronics) Status by KSE - *stay*

The equipment of the most popular Chinese brand has stopped working in Russia

[https://ukrudprom.com/news/V\\_Rossii\\_perestala\\_rabotat\\_tehnika\\_samogo\\_populyarnogo\\_kitayskogo\\_brenda.html](https://ukrudprom.com/news/V_Rossii_perestala_rabotat_tehnika_samogo_populyarnogo_kitayskogo_brenda.html)

\***Campari** (Italy, Alcohol&Tobacco) Status by KSE - *stay*

Davide Campari-Milano N.V., a structure of the Campari Group, appealed to the Arbitration Court of the Rostov region with a request to prohibit the local distributor "Master-Trade" from importing and selling drinks under its Aperol brand.

<https://www.kommersant.ru/doc/6253402>

\***FIFA** (Switzerland, Sport) Status by KSE - *wait*

FIFA admitted Russia's under-17 football team to international competitions in neutral status

<https://www.fifa.com/about-fifa/organisation/fifa-council/media-releases/fifa-council-takes-key-decisions-on-fifa-world-cup-tm-editions-in-2030-and-2034>

#### 06.10.2023

\***Network** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Loft** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Oxxo** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***AC&Co** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Mudo** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Madame Coco** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Karaca Home** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Kelebek** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***Comintern** (Belarus, Consumer goods and clothing) Status by KSE - *stay*

\***Pizhon** (Belarus, Consumer goods and clothing) Status by KSE - *stay*

\***Inni** (South Korea, Consumer goods and clothing) Status by KSE - *stay*

\***Ayal** (Kyrgyzstan, Consumer goods and clothing) Status by KSE - *stay*

\***Club** (Turkey, Consumer goods and clothing) Status by KSE - *stay*

\***2XU** (Australia, FMCG) Status by KSE - *stay*

\***Swed House** (Belarus, Consumer goods and clothing) Status by KSE - *stay*

\***BonBon Lingerie** (Estonia, Consumer goods and clothing) Status by KSE - *stay*

A record number of foreign brands came to Russia in four years

<https://www.kommersant.ru/doc/6253703>

\***Sentro Group** (India, Finance and payments) Status by KSE - *stay*

The company Sentro Group acquired a controlling stake in the Russian bank "Mir Privilege".

<https://frankmedia.ru/142048>

\***SOCAR** (Azerbaijan, Energy, oil and gas) Status by KSE - *stay*

Private Russian oil producer Lukoil will lend Azeri state oil firm Socar \$1.5 billion as part of a broader deal that will allow Socar's 200,000-barrel-per-day Turkish STAR refinery to process Russian crude again

<https://www.reuters.com/markets/commodities/russias-lukoil-lends-socar-15-bln-deal-supply-its-turkish-star-refinery-sources-2023-10-05/>

\***VEON** (Netherlands, Telecom) Status by KSE - *leave*

Veon sells the asset to Russian top management

<https://www.kommersant.ru/doc/6254169>

\***Burger King** (USA, Public catering) Status by KSE - *wait*

Burger King Sparks Boycott Calls Over Russia Stores—'No Morals'

<https://www.newsweek.com/burger-king-boycott-russia-russell-brand-1832331>

\***Hyundai** (South Korea, Automotive) Status by KSE - *leave*

Hyundai's Russian Sales Plunge Amid Speculation of Market Exit

<http://koreabizwire.com/hyundais-russian-sales-plunge-amid-speculation-of-market-exit/261132>

#### 07.10.2023

\***Head Aerospace Technology** (China, Aerospace) Status by KSE - *stay*

\***Beijing Yunze Technology Co. Ltd.** (China, Defense) Status by KSE - *stay*

Wagner Group's mercenaries acquire satellite images from Chinese company

<https://www.pravda.com.ua/eng/news/2023/10/6/7422989/>

\***Toyota** (Japan, Automotive) Status by KSE - *leave*

\***Honda** (Japan, Automotive) Status by KSE - *wait*

Japan Halts Used Car Shipments to Russia

<https://www.futurecar.com/11002/Japan-Halts-Used-Car-Shipments-to-Russia>

\***Finnair** (Finland, Air transportation) Status by KSE - *leave*

Finnair Prepared for Russian Airspace to Stay Closed for More Than a Decade

<https://airlineweekly.skift.com/2023/10/finnair-prepared-for-russian-airspace-to-stay-closed-for-more-than-a-decade/>

\***Freedom Holding** (Kazakhstan, Finance and payments) Status by KSE - *exited*

THE USA STARTED INVESTIGATING FREEDOM HOLDING, WHOSE OWNER CAME UNDER THE SANCTIONS OF UKRAINE

<https://www.epravda.com.ua/news/2023/10/6/705203/>

<https://uanews.net/ru/post/224560>

\***International Olympic Committee (IOC)** (Switzerland, Sport) Status by KSE - *wait*

The Olympic Committee of Russia (OCR) filed a lawsuit in a Swiss court against the International Olympic Committee to recover more than \$8 million from it.

<https://www.kommersant.ru/doc/6264931>

\***Novo Nordisk** (Denmark, Pharma, Healthcare) Status by KSE - *wait*

The first analogue of the Danish drug was registered by Geropharm

<https://www.kommersant.ru/doc/6265000>

#### 09.10.2023

\***Loongson** (China, IT) Status by KSE - *wait*

Russian "Norsy-Trans" will start production of data storage systems (SHD), servers and computers based on Chinese Loongson processors.

<https://www.kommersant.ru/doc/6265820>

\***VEON** (Netherlands, Telecom) Status by KSE - *leave*

VEON closes the sale of its Russia operations, completes its exit from Russia

<https://www.reuters.com/markets/deals/veon-completes-russia-exit-vimpelcom-sale-closes-2023-10-09/>

<https://www.globenewswire.com/news-release/2023/10/09/2756762/0/en/VEON-closes-the-sale-of-its-Russia-operations-completes-its-exit-from-Russia.html>

\***Volvo Cars** (Sweden, Automotive) Status by KSE - *exited*

Volvo disabled its application for Russian car owners

<https://mind.ua/news/20263796-volvo-vidklyuchila-rosijskih-dileriv-i-vlasnikiv-avto-vid-programnogo-zabezpechennya>

\***Novelis** (USA, Manufacturing) Status by KSE - *wait*

LME WEEK-Novelis Europe to exclude Russia from 2024 metal supply tender

<https://www.reuters.com/article/lmeweek-aluminium-novelis/lme-week-novelis-europe-to-exclude-russia-from-2024-metal-supply-tender-idUSL8N3BF110>

\***Ultimate Fighting Championship (UFC)** (USA, Sport) Status by KSE - *stay*

The head of the Ultimate Fighting Championship (UFC), Dana White, announced the cancellation of the ban on fighters using the flags of their countries at tournaments. The decision also applies to representatives of the aggressor state of Russia

<https://ukranews.com/ua/news/959937-prezydent-ufc-dozvolyv-rosijski-prapory-na-turnirah>

\***UEFA** (Switzerland, Sport) Status by KSE - *wait*

\***FIFA** (Switzerland, Sport) Status by KSE - *wait*

Uefa torn over plans to reinstate Russian youth teams

<https://www.independent.co.uk/sport/football/uefa-aleksander-ceferin-russia-underage-teams-b2426191.html>

The Ministry of Youth and Sports of Ukraine calls on FIFA and UEFA to cancel the decision on the admission of Russians to international competitions.

<https://www.pravda.com.ua/news/2023/10/5/7422772/>

#### 10.10.2023

\***UEFA** (Switzerland, Sport) Status by KSE - *wait*

\***FIFA** (Switzerland, Sport) Status by KSE - *wait*

Uefa backs out of decision to readmit Russia U17s

<https://www.bbc.com/sport/football/67066840>

\***Huawei** (China, Electronics) Status by KSE - *wait*

Huawei continues to work and hire employees in Russia

<https://www.forbes.ru/tekhnologii/497995-naucnyj-podhod-huawei-prodolzaet-rabotat-i-nanimat-sotrudnikov-v-rossii>

\***Hyundai** (South Korea, Automotive) Status by KSE - *wait*

\***KIA Motors** (South Korea, Automotive) Status by KSE - *wait*

Will KIA and Hyundai leave Russia?

<https://realnoevremya.com/articles/7518-will-kia-and-hyundai-leave-russia>

#### 11.10.2023

\***Xerox** (USA, Electronics) Status by KSE - *exited*

Xerox is exiting Russia and divesting the business to local management through the sale of its Russian subsidiary.

<https://www.news.xerox.com/news/xerox-releases-statement-on-conflict-in-ukraine>

<https://www.epravda.com.ua/news/2023/10/11/705364/>

\***BlackRock** (USA, Finance and payments) Status by KSE - *leave*

BlackRock sells 'limited' number of holdings in defunct Russia ETF

<https://www.etfstream.com/articles/blackrock-sells-limited-number-of-holdings-in-defunct-russia-etf>

\***PKN Orlen SA** (Poland, Energy, oil and gas) Status by KSE - *wait*

\***Europol Gaz** (Poland, Energy, oil and gas) Status by KSE - *wait*

Orlen says it is taking over Polish section of Yamal pipeline

<https://www.reuters.com/business/energy/orlen-says-it-is-taking-over-polish-section-yamal-pipeline-2023-10-10/>

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

\***Telegram** (United Arab Emirates, Online Services) Status by KSE - *stay*

\***Meta** (USA, Online Services) Status by KSE - *leave*

*The Insider* has unearthed documents indicating that Russia acquired technologies to block websites and applications based on the protocol they use.

<https://theins.ru/politika/265575>

### 12.10.2023

\***Ice Pearl Navigation Corp** (Turkey, Marine Transportation) Status by KSE - *stay*

\***Lumber Marine SA** (United Arab Emirates, Marine Transportation) Status by KSE - *stay*

Treasury Sanctions Entities for Transporting Oil Sold Above the Coalition Price Cap to Restrict Russia's War Machine

<https://www.ft.com/content/9d350e2e-e974-4ce9-8a84-9e70f9fc791b>

<https://home.treasury.gov/news/press-releases/jy1795>

\***AstraZeneca** (Great Britain, Pharma, Healthcare) Status by KSE - *stay*

Despite the statements of international pharmaceutical companies about the suspension of new tests in Russia after the start of military operations in Ukraine, the British-Swedish AstraZeneca will conduct a study of a new drug for the prevention of COVID-19 in the Russian Federation, which is necessary before its registration.

<https://www.kommersant.ru/doc/6268664>

\***Legrand** (France, Electronics) Status by KSE - *exited*

Russian electrical engineering company IEK Group has acquired the assets of the French company Legrand in the Russian Federation.

<https://www.kommersant.ru/doc/6268055>

\***International Olympic Committee (IOC)** (Switzerland, Sport) Status by KSE - *wait*

The International Olympic Committee, or IOC, banned the Russian Olympic Committee after the ROC recognized regional organizations from four annexed Ukrainian territories.

<https://olympics.com/ioc/news/ioc-executive-board-suspends-russian-olympic-committee-with-immediate-effect>

\***Commerzbank** (Germany, Finance and payments) Status by KSE - *leave*

Deutsche Bank, Commerzbank block Gazprom subsidiary's Russian lawsuits

<https://www.reuters.com/business/deutsche-bank-commerzbank-block-gazprom-subsidiarys-russian-lawsuits-2023-10-11/>

\***Tiffany & Co.** (USA, Luxury) Status by KSE - *wait*

\***Cartier** (France, Luxury) Status by KSE - *leave*

Tiffany and Cartier continue to use Russian diamonds in their products

<https://www.epravda.com.ua/news/2023/10/12/705412/>

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

Pro-Putin Propaganda Flows Onto Android via Google Loophole

<https://www.bloomberg.com/news/articles/2023-10-12/android-users-see-pro-putin-propaganda-through-google-loophole?srnd=premium-europe>

\***Deutsche Bank** (Germany, Finance and payments) Status by KSE - *leave*

Deutsche Bank Blocks Gazprom JV's €238M Russian Claim

<https://www.law360.com/articles/1731354/deutsche-bank-blocks-gazprom-jv-s-238m-russian-claim>

\***Mastercard** (USA, Finance and payments) Status by KSE - *leave*

\***Visa** (USA, Finance and payments) Status by KSE - *leave*

Wildberries introduced a commission of 3% for payment with Visa and MasterCard cards

<https://www.kommersant.ru/doc/6268075>

### 13.10.2023

\***Datees** (Iran, Electronics) Status by KSE - *stay*

\***Emersun** (Iran, Electronics) Status by KSE - *stay*

Iranian manufacturers of household appliances intend to localize production in the Russian Federation.

<https://www.kommersant.ru/doc/6268736>

\***Shree Ramkrishna Exports (SRK)** (India, Metals and Mining) Status by KSE - *leave*

NACP excludes India's SRK from the list of international war sponsors. <https://srk.one/public-announcement.html>

<https://nazk.gov.ua/en/news/wont-purchase-russian-diamonds-nacp-excludes-india-s-srk-from-the-list-of-international-war-sponsors/>

Recently we made a lot of significant improvements in our [Telegram-bot](#) with improving the interface, adding overall statistics and reflecting on the latest KSE statuses of companies taken from the KSE public database.

KSE team has incredible news about the project again! We are not standing still, and in addition to supporting and developing our database, which currently contains the world's most comprehensive information on the activities of global corporations on the Russian market, we are also developing our technical products. We developed a barcode scanner, which is available at the link <https://leaverussia.kse.ua/> (only for mobile devices!) or in our Telegram bot [https://t.me/exit\\_ru\\_bot](https://t.me/exit_ru_bot)! To use the scanner, you need to have a mobile phone, scan the barcode of the product in the store (or anywhere else) with a camera, and you will see information about its manufacturer and whether it also operates in Russia.

Also, thanks to the use of ChatGPT, for most companies in the consumer sector, we have created the most complete list of 7500+ major brands and trademarks, so the search has become even more convenient and better. In addition, the scanner can be saved as a regular app on the smartphone home screen and Eng/Ukr versions are available.

In July 2023, the KSE Institute, jointly with the B4Ukraine coalition partners published a new research entitled “The Business of Staying: a closer look at multinational revenues and taxes in Russia in 2022”, you can download its full text in English using the following links: <https://kse.ua/wp-content/uploads/2023/07/The-Business-of-Staying-1.pdf> and <https://b4ukraine.org/pdf/BusinessOfStaying.pdf>

Also, in September 2023, the KSE Institute jointly with the B4Ukraine coalition partners published another research entitled “The Business of Leaving: How Multinationals Can Responsibly Exit Russia”, you can download its full text in English here: [https://b4ukraine.org/pdf/B4Ukraine\\_Business\\_of\\_Leaving\\_report.pdf](https://b4ukraine.org/pdf/B4Ukraine_Business_of_Leaving_report.pdf)

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