



## Kremlin could seize Russian assets of US companies, warns Moral Rating Agency

July 16, 2022 by [Editorial staff](#)

The Russian assets of major global corporations could be seized by the Kremlin amid the ongoing fallout from Russia's invasion of Ukraine, according to new research.

With the war now in its sixth month, the Moral Rating Agency has released new data on 47 of the largest companies in the world, which it says have assets at risk. The Agency was set up to examine whether companies' promises of exiting Russia were realized, and its research includes both US and overseas companies.

Moral Rating Agency founder Mark Dixon points to the Kremlin's recent move to tighten its grip on the Sakhalin-2 oil-and-gas project as evidence of its willingness to expropriate the assets of foreign companies. Russian President Vladimir Putin signed a decree ordering the Sakhalin Energy Investment Company to be transferred to a new Russian entity. The decree means that the Kremlin now has an effective veto over which foreign investors will be allowed to keep their stake in the project.

About 50% of Sakhalin Energy is owned by Russia's state-owned gas company Gazprom RU:GAZP, which will be allowed to keep its stake. Shell SHELL, +2.88% has said it would sell its 27.5% stake in Sakhalin Energy. Japan's Mitsui 8031, -0.67% and Mitsubishi 8058, -0.33% hold 12.5% and 10% stakes, respectively.

**See Now:** [Despite plenty of talk, many US companies have still not fully exited Russia: Moral Rating Agency](#)

"The decree demonstrates that Russia is not just willing to expropriate assets but is also positioning itself to engage in 'expropriation blackmail,'" said Dixon, in a statement.

Among the companies it researched, The Moral Rating Agency identified General Electric Co. GE, +2.90%, PepsiCo Inc. PEP, +0.08% and Boeing Co. BA, +0.40% as at risk of asset expropriation.

A General Electric healthcare manufacturer in Russia could be a target for the Kremlin, the Agency said. In response, GE directed MarketWatch to the company's statement on its Russian footprint issued in March.

"We are suspending our operations in Russia, with the exception of providing essential medical equipment and supporting existing power services to people in the region," it said, at that time. "We continue to work closely with the proper authorities to ensure compliance with sanctions as well as all laws and regulations."

**See Now:** [Apple has ended imports of gold and tungsten from Russia](#)

The Moral Rating Agency also highlighted a PepsiCo snacks facility in Novosibirsk and a dairy plant in Moscow as at risk.

In March PepsiCo suspended the production and sale of Pepsi Cola and its other global beverage brands, including 7-Up and Mirinda, in Russia. The food and beverage giant also suspended capital investments and all advertising and promotional activities in Russia.

Citing a PepsiCo spokesperson, the Just Food website subsequently reported that PepsiCo has suspended further investment on the recently-opened Novosibirsk plant.

PepsiCo's 2021 annual report lists the dairy plant in Moscow and also a food plant in Kashira, which is in the Moscow region.

**See Now:** [Apple is not buying this Russian-sourced metal — but here's why many companies may still be using it](#)

PepsiCo has not yet responded to a request for comment from MarketWatch on the Moral Ratings Agency's research.

Boeing assets were also identified by the Agency as possible Kremlin targets. In its research, the Moral Rating Agency pointed to "Boeing subsidiaries, R&D facilities and joint ventures," as at risk of expropriation.

Following Russia's Ukraine invasion, Boeing suspended its operations in Moscow, as well as parts and maintenance support for Russian airlines. The Seattle Times reports that Boeing's Moscow Design Center employs more than 1,000 engineers.

**See Now:** [Putin orders Sakhalin Energy to be transferred to a new Russian company, potentially pushing out foreign partners](#)

Boeing has not yet responded to a request for comment from MarketWatch on the Moral Ratings Agency's research.

■ [Business](#)

🔍 [aerospace](#), [Aerospace/Defense](#), [article\\_normal](#), [BA](#), [Boeing Co.](#), [company](#), [Consumer Products](#), [Corporate/Industrial News](#), [crude\\_oil](#), [crude\\_oil\\_extraction](#), [Crude Oil/Natural Gas Upstream Operations](#), [Crude Petroleum Extraction](#), [defense](#), [Energy](#), [Fossil Fuels](#), [Gazprom PJSC](#), [GE](#), [General Electric Co.](#), [general news](#), [health\\_care](#), [healthcare](#), [Industrial Goods](#), [industrial news](#), [international relations](#), [JP:8031](#), [JP:8058](#), [JP:8306](#), [machinery](#), [Military Action](#), [Mitsubishi Corp.](#), [Mitsubishi UFJ Financial Group Inc.](#), [Mitsui & Co.Ltd](#), [national](#), [National/Public Security](#), [natural\\_gas](#), [natural\\_gas\\_upstream\\_operations](#), [Natural Gas/Oil Extraction](#), [oil\\_extraction](#), [Packaging](#), [PEP](#), [PepsiCo Inc.](#), [Political/General News](#), [politics](#), [Politics/International Relations](#), [Public Safety](#), [risk news](#), [RiskNews](#), [SHEL](#), [Shell PLC ADR](#), [UK:GAP](#)  
 < [Pokémon Unite Celebrates Its First Anniversary With New Pokémon, Modes And More](#)  
 > [Goldman Sachs' 25 Top Trades for Q2 Earnings](#)

Search



### Recent Posts

[LaCie's Newly Designed Mobile Hard Drives Provide Up to 5TB of Storage](#)

[UK Women's Forum opens applications for Employee Educational Assistance Award](#)

[I Found The Best Propane Stove \(And The Rest Of The Internet Agrees\)](#)

[Venice Market Kicks Off With Strong Attendance, Interest in Projects](#)

[Samsung Announces Plans To Create the Ultimate Sustainable Home Experience – Samsung Global Newsroom](#)

### Categories

[Australia news](#) (13,170)

[Business](#) (15,787)

[Canada news](#) (19,524)

[Entertainment](#) (27,065)

[Health](#) (15,273)

[Technology](#) (24,115)

[UK news](#) (12,368)

[US news](#) (16,392)

### Leave a Comment

Name \*

Email \*

Website

Save my name, email, and website in this browser for the next time I comment.