

They never left Russia. Because international companies support the war in Ukraine

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Editor Diaan Francis Canadian National Post, Senior Researcher at the Atlantic Council Most of the multinationals remain in Russia and the finances of Putin's invasion of Ukraine in January 1990. McDonald's opened its first restaurant in Pushkin's Square in Moscow. Agriculture and country marketing. McDonald's presence in Russia eventually grew to a network of 847 points of sale and 62,000 employees before the brutal invasion of Ukraine changed everything this year.

The movie announced the day after the McDonald's invasion that it would close all its offices in Russia and put the business up for sale. The company's statement explains that "the humanitarian crisis caused by the war in Ukraine and an unforeseen intensive operating environment led McDonald's to conclude that further business ownership in Russia is more inadequate and not in line with McDonald's values."

McDonald's decision was a rare example of a fundamental and expensive position for owners of a global high-content brand. Another 1,000 multinationals soon voluntarily announced that they would follow their example and leave Russia. Many have received considerable praise for their position.

But the sad reality is that in addition to McDonald's, three-quarters of the most profitable foreign TNCs remain in Russia, according to a study by a group of B4ukraine activists, a coalition of Ukrainian and international civil society organizations. "Today only 106 companies have left the Russian market and more than 1,149 remain international," said Weaeukraine's founder. info Natalia Popovich.

- The public has the impression that most of the major international brands have already left Russia. In fact, most companies that downscale and go out of business do so loudly, and eight out of ten companies that run a business in one way or another in Russia remain silent about it. " Andriy Onoprienko, deputy director of finance

The development of political research, the Kiv School of Economics, claims that the presence of multinational companies in Russia allows Moscow to continue its war in Ukraine. "Russia needs around \$ 1 billion a day to replenish the invasion of troops, equipment and weapons. By continuing to operate in Russia, international business is contributing to Russia's military efforts, he said.

- The remaining companies pay corporate and payroll taxes to the Russian government as well as salaries of approximately 690,000 of their employees in Russia. They are not neutral participants in Russia's aggressive war against Ukraine. " Ukrainian organizations are not only calling on multinational corporations to leave Russia, but also asking for companies operating in Russia to carry out their own human rights checks.

"An analysis of the value chain shows that significant investments, joint ventures and services by multinationals are underway, especially in risk areas such as oil and gas, consumer goods and banking. Most of them are the same companies that claim the Human Rights Business Management Principles (UNGP) and its call for proper human rights protection.

Unfortunately, this is not enough, "explained Richard Stasinsky, executive director of the Heartland Initiative. The process of leaving Russia is not easy and can lead to enormous costs, even the possibility of a preventive nationalization of assets in the Russian state. One example is the multi-billion dollar gas project on the Pacific island of Sakhalin.

"Russia has taken control of the international consortium behind the giant oil and gas project" Sakhalin-2 ", transferring it to a new Russian legal entity that will actually give the Kremlin the right to vote on what foreign investors can keep their shares, Wall reports . Street Journal.

"Two major Japanese energy investors said the cost of their shares in the Russian gas project fell more than twice [about \$ 1 billion] after Putin's decree threatened to strip them of their rights." Such actions by the Russian authorities are a form of "blackmail expropriation," wrote Moral Rating Agency founder Mark Dixon in a July report.

"We expect expropriation of tsunamis or blackmailed concessions in the next few months." In a globalized world, the Russian invasion of Ukraine has raised international companies in an exceptionally endangered position. They are criticized for the obvious reasons that they do not leave the Russian market, and they are punishable by Russia if they try to leave. This may explain why so many companies announced their exit but then either stopped or postponed it.

Despite these problems, those who remain in Russia cannot count on compassion and will continue to face the pressure to force them. By exiting the Russian market, multinational corporations can make a significant contribution to reducing the financing of Putin's military machine. This is considered an important part of the fight to end the failed Moscow invasion of Ukraine.

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