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Russia removes Danone from state control assets

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Russian President Vladimir Putin has cancelled the transfer of Danoneâ??s Russian assets to the Federal Agency for State Property Management, Rosimushchestvo, for temporary management by the state. The reasons for this decision were not disclosed in the decree, according to Pravda.

In July 2023, Putin transferred foreign citizensâ?? shares in the Baltika Brewery and Danone's Russian subsidiary to Rosimushchestvo for temporary state management. The companies had previously announced that they were selling their Russian assets.

Ibragim (Yakub) Zakriev, who is the deputy head and agriculture minister of the Chechen government, as well as a nephew of Chechen leader Ramzan Kadyrov, was subsequently appointed as the new CEO of Danone Russia.

Russian Finance Minister Anton Siluanov explained in November 2023 that temporary state management would be introduced at companies from "unfriendly" countries in exceptional circumstances. He claimed that companies were failing to fulfil obligations, mainly social ones, and committing violations of Russian law.

Danone reported at the end of July 2023 that it had written off its Russian business from its balance sheet. It had booked impairment losses of around â?¬200 million, with a further adjustment of about â?¬500 million due to the rouble's depreciation against the euro.