



CNBC: Tighter Sanctions Against Russia Would Likely Spark Retaliation

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While most of the talk concerning stronger Western sanctions against Russia has focused on the damage they would do to its economy, the West would be unlikely to get away scot-free.

Indeed, Russia would probably strike back against European and U.S. companies that are active in the world's ninth largest economy, experts say.

"There no doubt would be Russian retaliation," Justin Logan, director of foreign policy studies at the Cato Institute, [told CNBC](#). "Companies with money tied up in Russia would have a tough time getting it back out."

The White House announced Friday that the United States and its European allies are set to intensify sanctions against Russia if it makes more trouble in Ukraine.

Most of the foreign investment in Russia comes from big oil companies including Royal Dutch Shell, ExxonMobil and BP, Fadel Gheit, senior energy analyst at Oppenheimer, told CNBC.

"Shell and Exxon have physical assets in Russia," he said. "But pound-for-pound, BP has the biggest exposure in Russia."

BP also is probably the best prepared for trouble, given previous problems it has faced in Russia,

Nicholas Spiro, managing director of Spiro Sovereign Strategy, told CNBC.

As for Russia's economy, it has been going down the tubes even without harsh sanctions.

"What we're seeing now is a pretty permanent exodus [of foreign capital] from Russia, and it will be very difficult for the Russian central bank to fight it," Lars Christensen, chief emerging-markets analyst at Danske Bank in Copenhagen, [told Bloomberg](#).

"The central bank is very much between a rock and a hard place. They frankly seem quite desperate in their actions."