

Kremlin Seizes Nestlé and Auchan Assets in Latest Business Crackdown

By [Reuters](#)

September 18, 2026



A Nestlé factory in the Perm region. **Master Snov (Public Domain)**

The Kremlin said on Friday that hostile actions by "unfriendly" countries played a role in its decision to take control of the Russian assets of Swiss food giant Nestlé and French retailer Auchan.

The move, announced in a decree signed by President Vladimir Putin, is the most significant action against Western firms since the seizure of the Russian assets of French dairy company Danone and Danish brewer Carlsberg in 2023.

"We are talking about European companies from unfriendly countries," Kremlin spokesman Dmitry Peskov told reporters, adding that these states were "currently involved in the most active manner in military actions against our country."

Peskov did not name France or Switzerland specifically, but Russia says Western countries

that supply weapons to Ukraine, including France, are effectively parties to the conflict.

Switzerland does not provide arms to Ukraine but has angered Russia by imposing sanctions against it. The Swiss government expressed concern about the seizure of Nestlé and said it was supporting the company in its efforts to reverse the decision.

Nestlé, maker of Nescafé coffee and KitKat chocolate bars, said it was assessing the situation.

"Nestle is committed to taking all necessary steps to protect its rights and ensure continuity of business operations in the interests of all stakeholders, particularly its employees," the company said in a statement.

It declined to comment further on what action it was considering. Nestle shares were down 2.4%.

Related article: [Former Russian Coal Assets of Ukrainian Billionaire Akhmetov Change Hands](#)

Russia has steadily tightened its grip on foreign-owned assets since the 2022 invasion of Ukraine. A 2023 decree signed by Putin allows assets from countries Moscow deems "unfriendly" to be placed under temporary administration.

Moscow has also used the framework to raise funds through forced sales, exit taxes and discounts, while rewarding Kremlin-linked insiders.

According to a 2025 estimate by Moscow law firm NSP, the Russian state has seized more than \$50 billion of private property, including assets belonging to foreign companies that exited Russia, since the start of the war.

The Russian assets of Nestlé and Auchan were transferred to temporary control by L.E.V. Management, a little-known company with no public profile.

Auchan, which runs 230 stores and an online business in Russia, employing about 30,000 people, declined to comment.

Related article: [Father of Putin's Reported Partner Takes Stake in Rosneft Arctic Contractor – Investigation](#)

Nestlé has six factories in Russia producing coffee, pet care and infant formula products. It generated sales of about 2 billion Swiss francs (\$2.4 billion) in Russia in 2021, the last year it released figures, and has about 7,000 employees there.

That amounted to about 2% of group sales, although analysts estimate the contribution has declined since Nestlé scaled back operations in Russia.

Nestlé has suspended most sales, non-essential imports and exports, advertising and capital investment in Russia, said Bank Vontobel analyst Jean-Philippe Bertschy, who estimates the country now accounts for around 1% of group sales.

"While negative for sentiment and raising the prospect of an asset impairment or unfavourable disposal, we expect a marginal financial impact, given Russia's limited contribution to group sales," he said.

The newspaper Kommersant previously reported that a company called KS Logistika asked Putin to place Nestlé's assets under temporary administration, arguing that existing management was preventing expansion.

In previous cases, temporary administration has often been followed by state expropriation, with assets later transferred to Kremlin-linked individuals or companies. Peskov said only temporary administration was under consideration for now.

Other Western companies have sold Russian assets or handed them to local managers in response to sanctions or the threat of state intervention.

Nestlé has defended its continued presence in Russia by arguing that it supplies essential food products.

Kepler Cheuvreux analyst Jon Cox said the development did not bode well for Nestlé.

"Ultimately, Nestlé may end up losing those assets — around 2% of its sales and cash tied up in Russia — for the foreseeable future and any compensation is unlikely to be an offset," he said.

Original url:

<https://www.themoscowtimes.com/2026/09/18/kremlin-seizes-nestle-and-auchan-assets-in-latest-business-crackdown-a93745>