

# Coca-Cola Sees Similar Investment Risks in Russia and Nigeria

By [The Moscow Times](#)

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The company said legal ambiguity and corruption are problems in Russia. **Igor Tabakov**

The risks of doing business in Russia are on par with those in Nigeria and Romania and can negatively affect sales, Coca-Cola said in a report issued to its investors.

Complex regulation, inconsistent state policy and conflicting decisions between national, regional and municipal authorities increase business costs, the beverage giant said, Vedomosti reported Wednesday.

The company also noted that legal ambiguities are particularly endemic to Russia and Nigeria. In addition, these two countries also have large-scale corruption in common, dulling the competitive edge of American multinational companies in light of their obligation to adhere to U.S. anti-corruption legislation.

Legal ambiguities mean, first and foremost, a rising scale of expenditures in connection with

complex regulations, the report said. Lower consumer demand is also foreseen as a problem, and the report warns that consumers are less likely to spend on products that are not essential.

Coca-Cola's main competitor, Pepsi, has also highlighted business risks in Russia. After last year's presidential election, the company warned investors that political instability and civil strife possibly could have a negative impact on financial results.

Some of the companies' findings have been supported by Russian firms. In October 2011, the steel producer Evraz cited Vladimir Putin's re-election as a risk factor that could lead to political tension and protest, which would reflect poorly on the investment climate.

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