



3 Companies Paying Close Attention to Russia and Ukraine

Description

With each passing day, the tensions in Crimea are taking a new turn. And while everyone is hoping that the conflict doesn't descend into something much worse, most businesses in Canada are relatively unaffected.

That being said, there are some companies that have a significant chunk of their business in Russia or Ukraine. Three in particular are worth mentioning.

Kinross

Kinross Gold ([TSX:K](#))([NYSE:KGC](#)) is one of Canada's largest investors in Russia – the company's two Russian mines account for over a quarter of its total production. Kinross is also the only Canadian company on Russia's Foreign Investment Advisory Council, which in the past has even helped the company influence government policy in the region.

Kinross is confident it can operate in Russia, despite the turmoil. The company points to its long track record of stakeholder agreement in the region, and believes that is what really matters in the end.

Ag Growth

After initially stumbling with its push for international expansion, agriculture equipment manufacturer **Ag Growth** ([TSX:AFN](#)) has made some real headway. The stock is up about 50% since late 2012.

But the company derives 16% of its sales from Russia, Ukraine and Kazakhstan. And a majority of these revenues come from Ukraine. Like Kinross, Ag Growth has said it doesn't expect to be affected by the events. It has remained in constant contact with its customers in Ukraine, and is still comfortable. Also most of Ag Growth's Ukrainian customers make money in U.S. dollars, and would not be stung by a decline in currency values.

Bombardier

Unlike the first two companies, **Bombardier** ([TSX:BBD.B](#)) has acknowledged that tensions in Russia

are taking a toll on the business. The aerospace and rail equipment company is currently in negotiations with Russia concerning the company's Q400 turboprop planes. Last year, Bombardier struck a \$3.4 billion deal to sell 100 of those planes in Russia.

The market represents a huge opportunity for Bombardier. But lately the company said that the turmoil has "softened up a little bit the discussions."

Foolish bottom line

So far, all three of these companies have seen minimal effect on their business. But Canadian Prime Minister Stephen Harper has been very supportive of Ukraine in the past, mainly due to Canada's large Ukrainian population. He will likely be as tough on Russia as any other leader. And if Russia retaliates, the situation could get a lot worse for the three companies above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:AFN (Ag Growth International)
3. TSX:BBD.B (Bombardier)
4. TSX:K (Kinross Gold Corporation)

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