Assignment: Risk categories
Names: Romanova Violetta, Portnov Artem, Lysenko Kirill, Yaroslava Mavlyutova (Team 2)
Date: 21/10/14

Legal

1. protracted bureaucratic procedures connected with the weaknesses of natural resource regulation legislation
2. increase in tax rates for companies with foreign participation
3. Violation of labour safety and sanitation requirements
4. The denial of request for licence by regional officials due to the ROG does not comply with special requirement
5. The change of legislature and official standards related to the gas and oil extraction during the effect of the agreement.
6. Change in the public international law related to the global decrease of oil and gas exploitation for ecological reasons
7. Compliance with anti monopoly legislation and possible defence in the court against allegations of monopoly
8. Failure to provide the facilities to the workers in compliance with standards of labour in the sphere of project.
9. There are some risks involved when an international company is on the court such as: the law of collision can be applied not as expected.
10. Legal prohibitions on certain types of activities risk of law changes of international joint venture's activity
11. Frequently changed legislation (including tax policy) and strict governmental control
12. Risks associated with changes in the rules of customs control and duties

Commercial/Business

1. Crisis
2. Credit risk of counter agents
3. Leveraged risk
4. Currency risk
5. Interest rate risk
6. High enterprise costs
7. Shortage of cash
8. a risk of monopoly interests
9. risk of cost overrun
10. Wrong management strategy
11. Inequity in power or finance creates disagreements
12. lack of agreement on the distribution of profits
13. creation by competitors of a cartel in order to take out from the market

14. Selection of supply lines
15. Insolvency/liquidation/bad faith of manufacturing facilities providers during preparatory activities.
16. Market changes
17. Delay of preparatory works due to poor logistic planning and the late delivery of necessary manufacturing facilities as the result.
18. Failure to attract investments.
19. Defective quality of goods provided by retailers and possible arbitral proceedings with them as the result.
20. The competition with semi-governmental companies who are interested in developing the region.
21. Poor hire recruitment management and attracting non-relevant labour resources.
22. The underdevelopment of marine shipping plan for the winter season and delays of deliveries as the result
23. Interrupting into foreign/disputed territories while wide spreading the sphere of the interests. sphere of the interests.
24. risk of loss of control over resources
25. Differences in economic system (e.g., level of governmental regulation)
26. risk of dependence of a joint venture from joining companies
27. The risk of disproportionate distribution of shares/ rights for voting etc
28. corporate management sphere

Political

1. Nationalization
2. Wars
3. changes in the country's international affairs
4. Exclusions from customs unions
5. Issues with local government officials on either side
6. A change in either political or social situations in one of the partners' countries
7. Entering of counteragents in the 'sanction list' which would lead to the interruption of source exploitation and delivery.
8. Corruption
9. Sanctions against the partner country or by the partner country
10. Problems with the authorities of the country
11. social, political or cultural changes in other countries, deterioration of relations between the governments
12. risk of international political relationships deterioration
13. Risks associated with government regulation

Environmental

1. environmental disasters in the area of the enterprise
2. Oil spills are possible.
3. Floating ice in Okhotsk Sea may cause severe damage to oil platforms and .
4. Key equipment necessary for the construction of oil platforms with no Russian substitutes might be already included in the sanction lists of Western powers due to international relations deterioration.

Negotiations

1. Insufficient studying of partner's officials, its previous connections, other projects and their results
2. Incorrect division of power and control over JV
3. Timeline of making a contract(it's so big)
4. There is always a risk of a serious conflict
5. Partners haven't compared their operating styles and organization climate so representatives from both parties have difficulties in cooperation
6. ambiguity of purposes
7. Distinction positions and expectations of partners
8. Different negotiation culture
9. risk of supply disruption and communication between partners
10. unfair partner behavior
11. unilateral refusal to fulfill the obligation by the partner
12. Unreal aims and unrealistic expectations
13. Lack of clarity in obligations and misunderstanding between partners

Others

1. Death of a partner and unforeseen liquidation of his/her company
2. Issues related to the pandemic and possible lockdown as the result.
3. Issues concerning the provision of the facilities to expats.
4. co-activists' attacks and protests against the project.
5. provision of untrue information

6. Risks associated with the possible spread of COVID-19 among employees. Companies or contractors that may lead to infection of employees.

Not risks but advice:

1. Distribute the recruiting process
2. Do not let the partner take control of the negotiations
3. It is right to wait for conflicts
4. Ask questions, take a dominant position
5. To control absolutely all processes in negotiations
6. Competently work with objections
7. Properly provoke the plant
8. Optimize re-rolling processes
9. Properly consider the placement of supply warehouses
10. Properly consider the placement of storage warehouses
11. Hire qualified specialists
12. Clearly form a plan for the supply of materials
13. Clearly form a plan for unloading finished products
14. Optimize the warehouse operation taking into account the demand for certain materials or products
15. To form a stock of materials
16. To form a stock of finished products
17. Provide for possible force majors
18. Don't invest all your money in materials
19. Do not freeze assets
20. It is essential to build fair relationships when negotiating, or there is a risk of losing trust. Each side must recognize in what measure it contributes both financially and in terms of concernment in a project and in which proportion the benefits are going to be divided.
21. Political risks can be minimized by insuring the joint venture against political risks. Many private international companies, public international organizations and state export credit agencies provide insurance.
22. For the settlement we need to resort to the effective construction of the personnel system.
23. its important for ROG to learn the political situation and prognose its alteration,
24. its better to check everything twice or even three times, pay attention to even small details – it's risky and we should be careful. Every dangerous scheme started with a little fraud
25. Need to prevent corruption on every level
26. Also vital to consider who will be responsible for any continuing liabilities: debts and guarantees given to customers and how confidential information will continue to be protected if one (or all) of the partners wants to exit a JV.

27. JV should be stable in case of structural changes of the economy (for example that are happening right now due to coronavirus).
28. Companies in a JV should be very careful with minorities and the way companies in JV treat them (corporate rules also should not infringe on the rights minorities)
29. It is important to check if partner's abilities of providing equipment, technologies and, possibly, labor match with the scale of our company's work.
30. There must be no competition instead of compatibility and complementarity with each other.
31. it is better to clear things up before they demand increased monitoring and organizational costs.
32. Timeline of making a contract is important
33. it's important to identify the limits of each countries' influence