

Freight One Sale to Be 'Pivotal' in 2011

By [The Moscow Times](#)

September 12, 2010



The Economic Development Ministry says a controlling stake in the Russian Railways unit could go to investors.

Russian Railways' sale of a holding in its Freight One unit will probably attract industry investors in one of the biggest infrastructure disposals of 2011, Deputy Economic Development Minister Stanislav Voskresensky said Friday.

The government's upcoming sale of state assets, dominated by interest in oil producer Rosneft, should also lure suitors for Freight One who seek earnings growth from cargo transport, Voskresensky said in an interview.

The division is valued by consultants at \$4 billion to \$5 billion, and a controlling stake may be offered, he said.

"The most pivotal sale of the next year will be Freight One's, as the world hasn't seen such sales for a very long time," Voskresensky said.

The government may raise 600 billion rubles (\$19.4 billion) to 883 billion rubles in state-asset sales from 2011 through 2013, Economic Development Minister Elvira Nabiullina and Finance Minister Alexei Kudrin said in July.

In addition to stakes in Russian Railways, its Freight One and Transcontainer cargo units, and Rosneft, disposals may include banks and operators of ships or pipelines.

“Politically, all are interested in whether Rosneft’s sale goes forward,” Voskresensky said. “There will be different audiences: Rosneft is interesting to portfolio investors” while the Freight One sale will be of more interest to “serious funds that want to come in for the long term, infrastructure funds and strategic investors.”

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