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Sistema Could Get 49% Stake In Mapping Firm

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Sergei Vasilyev, head of the Federal Service for Land Surveying and Cartography, told RIA-Novosti on Monday that Sistema could get a 49 percent stake in a future cartography corporation to be run jointly with the state. Sistema, however, could not confirm that it is prepared to invest in such a project.

The Russian market for digital navigation mapping, which the future cartography corporation would be involved in, is estimated to be up to several billion dollars, according to industry experts. Sistema, as a key player in the industry, could be potentially interested, they say.

"It is planned to give 49 percent to a private investor. Sistema claims it is interested and we are not opposed, but only if the private investor will show us and the government an investment plan for development of the sector and some detailed calculations," Vasilyev told RIA-Novosti.

Vasilyev's agency declined to comment Monday on when it is planning to start the new corporation and whether there are any other potential bidders.

Sistema told The Moscow Times that while the company is interested in digital navigation mapping in principle, it has not made any official announcements over potential participation in this partnership.

“Sistema, which actively participates in the development of Glonass-based navigation services, would be interested in participating in such a project, since digital cartography is one fundamental part of the Glonass system. However, talking about anything today is premature,” Sistema's press service told The Moscow Times.

Sistema is leading development of Glonass, Russia's answer to the American GPS navigation network, for the civilian sector.

In mid-July, Sistema's chairman and major shareholder Vladimir Yevtushenkov actively lobbied for Glonass in a meeting with Prime Minister Vladimir Putin and proposed that devices not compatible with Glonass be banned from the Russian market.

Last spring, Putin told the Federal Service for Land Surveying and Cartography to work on turning its state-owned units into shareholder entities. Industry insiders say Vasilyev most likely jumped to conclusions concerning Sistema's possible participation.

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