

Former Uralkali Head Could Be EBRD Rep

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Potash miner Uralkali's former chief executive Denis Morozov could be named as Russia's representative at the European Bank of Reconstruction and Development after a bribery scandal relating to previous appointees.

"This is being discussed, but there has been no decision," Deputy Finance Minister Dmitry Pankin said Monday.

Another source familiar with the situation, who spoke on condition of anonymity, added that Morozov — who has served in top positions at three major Russian firms — was the main candidate.

EBRD spokesman Richard Wallis said the bank cannot comment on what will be purely a government decision. Morozov also declined to comment.

It remained unclear Monday when the appointment may be announced.

Police in Britain and Russia are investigating former representative Yelena Kotova and at least four other members of the Russian delegation on suspicion of demanding a 1 million euro

(\$1.35 million) bribe from a Russian company.

Some reports also mentioned them providing false credits to various projects, but neither investigators nor the bank's representatives have elaborated on the accusations.

Kotova in December became the first EBRD member to lose diplomatic immunity since the London-based bank was founded in 1991, and was dismissed as Russia's representative to the board later that month.

The corruption allegations are an embarrassment to both Russia and the EBRD, which was established as the Soviet Union crumbled to help the transition of former communist countries to the free market.

Investors say corruption is one of the biggest hindrances to doing business in Russia, which is ranked by Berlin-based graft watchdog Transparency International as more corrupt than any other country in the Group of 20 major economies, putting it on a par with Cambodia and Laos.

Born in 1973, Morozov has worked for Russia-based insurance firm Ingosstrakh as well as Alfa Bank, Russia's biggest privately owned lender.

Over the last decade he served as the CEO of Norilsk Nickel, Uralkali — from which he stepped down last year — and was a member of the board at Russia's largest gold miner, Polyus Gold.

He graduated from Harvard Business School in 2009.

Kotova was appointed to the EBRD board by the Russian government and represented the interests of Russia, Belarus and Tajikistan from July 2005 to late 2010, when she was sacked by Prime Minister Vladimir Putin's office.

The EBRD invested 2.3 billion euros in the automobile, retail, banking and energy industries in Russia in 2010.

(Reuters, MT)

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