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Despite Resignation, Sechin Will Run Rosneft

By The Moscow Times

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Igor Sechin will call the shots at Rosneft despite stepping down as chairman, the company's president said, casting doubt on whether a directive by President Dmitry Medvedev has teeth.

Medvedev last month ordered Prime Minister Vladimir Putin's deputies and Cabinet ministers to leave the boards of state firms, a move that he said would increase the companies' effectiveness and transparency.

"Sechin will keep control, and I believe he will even strengthen it," Rosneft's Eduard Khudainatov said Friday on the sidelines of a meeting attended by Putin.

"We are a company with state ownership, and we directly report to the government via orders and other administrative tools. The daily control is in the hands of Igor Ivanovich [Sechin]," he added.

Medvedev ordered Putin to begin the board purge by July 1. Sechin, a deputy prime minister and close Putin ally who oversees Russia's oil and gas industry, stepped down from his position as Rosneft chairman this week.

Analysts and investors predicted that his departure would do little to change Russia's biggest oil company. Rosneft accounts for more than one-fifth of Russia's daily oil production of more than 10 million barrels.

Mikhail Alefirenko, a portfolio manager at Pharos Financial Fund, said after Sechin's resignation that it would have "no real impact" on the way Rosneft operates.

He said it was intended "to show the public, international investors, that he is doing something to reform state-owned companies."

Analysts say the order, one of a series of assertive moves that Medvedev has made lately, was aimed at bolstering his image as a reformer and corruption fighter.

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