

Hong Kong Exchange to See Rush

By [The Moscow Times](#)

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President Dmitry Medvedev visiting the Hong Kong Stock Exchange as he wraps up a trip to China on Sunday. **Dmitry Astakhov**

HONG KONG — VTB Capital, the investment banking arm of Russia's No. 2 lender VTB, said Sunday that it expects to help Russian companies raise billions of dollars through listing on the Hong Kong stock exchange in 2011.

VTB Capital CEO Yury Solovyov, one of the business leaders accompanying President Dmitry Medvedev in Hong Kong, said energy, commodities, transportation and consumer firms were preparing for the move, but did not name any.

Medvedev's trip to Hong Kong was the first such visit by a Russian leader. Moscow is keen to attract foreign investment to help the country diversify its commodities-driven economy.

"We are planning to place billions of dollars. ... This is one of the most liquid markets globally, and therefore the companies we are representing here will be sufficiently capitalized," Solovyov said.

The bank will set up a branch office in Hong Kong and hire about 30 people this year, Solovyov said.

A senior Medvedev aide, Arkady Dvorkovich, said four or five Russian firms were eyeing a listing in Hong Kong soon, less than 18 months after top aluminum producer RusAl became the first Russian firm to list there.

Power company EuroSibEnergo, also part of billionaire Oleg Deripaska's empire, could be one of them, having earlier this year pushed back its planned \$1 billion Hong Kong listing due to volatile markets.

Deripaska said Sunday that the IPO would be held in 2012 but declined to confirm that it would take place in Hong Kong.

Hong Kong chief executive Donald Tsang said he hoped to see more Russian listings after RusAl's IPO and a smaller flotation of IRC, the iron ore unit of London-listed gold miner Petropavlovsk.

"We welcome this trend of Russian firms making the most of Hong Kong's capital-raising expertise," he said. "For the past two years, Hong Kong has led the world in terms of capital raised through initial public offerings. Last year, total IPO funds raised on our stock exchange exceeded \$58 billion."

Solovyov said VTB Capital was planning to promote the segment of yuan-ruble currency trade to Russian investors.

"We are also planning to develop currency trade between Russia and Hong Kong, and we think that the transition of trade transactions into national currencies ... is very strategically important to us," he said.

"We are the only bank which trades these currencies in Russia and Shanghai, and we will continue that in the future. We are also carrying these operations with HK banks."

Russian lender Otkritie is also planning to open an office in Hong Kong, Roman Lokhov, head of Otkritie's global markets and investment banking business, announced late last week.

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Renova Group and renewable energy producer RusHydro are the other companies that might sell shares in Hong Kong, Bloomberg reported, citing an unidentified source.

Renova is considering selling shares of its Kamchatka Gold unit in Hong Kong in late 2011, Interfax reported in November.

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