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VEB Helps Carmakers Get Set Up

By The Moscow Times

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VEB state development bank may open a 39 billion ruble ($1.39 billion) credit line to carmaker Sollers for its joint venture with Ford, Prime Minister Vladimir Putin said Friday.

Putin, who oversees VEB, was speaking at a meeting of the lender's board.

Sollers said in February that it had dropped a joint venture project with Italy's Fiat and instead would team up with Ford as the U.S. carmaker seeks to step up its presence on the booming Russian market.

Ford agreed Feb. 18 to set up a 50-50 venture with Moscow-based Sollers to assemble and distribute vehicles in Russia. Ford-Sollers will manufacture Ford models at plants near St. Petersburg and in Tatarstan.

Sollers' Moscow-traded shares were up 6 percent Friday.

VEB might finance new projects Fiat is planning in Russia as well, VEB head Vladimir

Dmitriyev told reporters Friday, declining to elaborate on the Italian carmaker's plans.

Dmitriyev said Goldman Sachs Group might invest in the Kremlin's private-equity fund.

Sovereign funds from the Persian Gulf and Southeast Asian regions are also interested in investing in the project, Dmitriyev said at a meeting with Putin Friday.

(Reuters, Bloomberg)

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