

'Borrow!' Says UBS

By [The Moscow Times](#)

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ST. PETERSBURG — Russian companies have room to borrow more and may increase their ratio of debt to equity to as much as 50 percent, according to UBS.

The ratio may rise to between 40 percent and 50 percent from 10 percent now, Carsten Kengeter, chief executive officer of UBS's investment bank, said Saturday at the St. Petersburg International Economic Forum. That process could take five years or more, he said.

"The global average is 40 to 50. At some point Russia is going to creep up there," Kengeter said. "It will be important to have a slightly more efficient capital structure, raising the level of debt a little bit so that return on equity could go up."

(Bloomberg)

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