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Alrosa Slated for Full Sale by 2017

By The Moscow Times

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Russia plans to sell state diamond-mining monopoly Alrosa as the government seeks to reduce its control of the economy, according to the Economic Development Ministry.

Alrosa, which produces 97 percent of Russia's diamonds and accounts for 25 percent of global output, is on a list of 14 companies that the state plans to sell completely by 2017, according to Alexei Uvarov, director of the economy ministry's property department. Russia would retain a so-called golden share in Alrosa, giving it voting rights similar to a blocking stake.

"Alrosa is one of the leading and largest companies in the world," Uvarov said Tuesday. "We think it will be in demand and that it will work effectively."

President Dmitry Medvedev ordered the government last month to expand asset sales to reduce state control of the economy and improve the investment climate. Russia may sell as much as 1 trillion rubles ($36.4 billion) in assets annually as part of the plan that would run until 2017, Uvarov said.

The Finance Ministry previously proposed selling 50 percent of Alrosa within three years.

The federal government owns 50.9 percent of Alrosa, with the Sakha regional government holding 32 percent, eight municipalities 8 percent, and unidentified shareholders the remainder, according to the company's web site.

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