

Nigeria Orders RusAl Asset Returned

By [The Moscow Times](#)

July 09, 2012



RusAl chief executive Oleg Deripaska **Denis Grishkin**

Nigeria's supreme court has ordered that RusAl, the world's largest aluminum producer, be stripped of ownership of former state-owned Aluminum Smelter Company of Nigeria because the assets should have gone to another bidder.

RusAl acquired a 75 percent stake in ALSCON in 2007 for about \$205 million and now owns 85 percent of its assets with the remaining stake belonging to the Nigerian government.

The Russian firm said the judgment would not affect its ownership of ALSCON and that operations continued as normal.

U.S. based private firm BFI Group was the preferred bidder for ALSCON in 2004 after offering \$410 million, but was later disqualified by the Bureau of Public Enterprises, or BPE, the Nigerian government agency that handled the privatization of state enterprises.

BFI, headed by American-Nigerian Reuben Jaja, took BPE to court, saying the agency breached

its contract.

The supreme court ruling last week ordered that BPE revert to the original preferred bidder and BFI Group pay the agreed price of \$410 million.

"There is no evidence on record that RusAl has taken possession of ALSCON," Justice John Fabiyi said in the lead judgment, seen by Reuters on Monday.

"The appellant's (BFI Group) bid in the sum of \$410 million was preferred by the respondent. The appellant was declared winner at the auction sale conducted on June 14, 2004."

However, RusAl said on Monday that the ruling was between BPE and BFI Group and it would retain its shares in ALSCON.

"The ruling of Nigeria's supreme court neither does change, nor can change the owner of ALSCON shares belonging to UC RusAl," a company spokeswoman told Reuters on Monday.

"This litigation relates to claims of BFI Group to BPE of Nigeria, which means that it's the Nigerian government to bear responsibility for such a ruling and that it cannot have an effect on RusAl's ownership of ALSCON shares."

This means as far as RusAl is concerned, it still owns 85 percent of ALSCON and the ruling is against BPE, a Nigerian government agency, and not the Russian company.

A spokesman for BPE said on Monday that the agency would wait until it received the judgment before making further comment, but that it would adhere to any ruling passed by a Nigerian court.

ALSCON has been operated by RusAl for more than five years and includes an aluminum smelter with an annual capacity of 120,000 tons, a gas-fired power station and a port. It is one of the Russian firm's key African assets.

Nigeria's senate ordered an investigation into the sale of ALSCON in 2009 because lawmakers believed the company was worth around \$3 billion and was hugely undersold.

Africa's biggest oil producer is rife with corruption and many lawmakers have said state assets were sold illegally.

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