

Russia Warns Nigeria on RusAl

By [The Moscow Times](#)

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The Foreign Ministry warned Nigeria on Thursday of potential damage to bilateral relations and urged action against a court decision that stripped the world's largest aluminum producer, RusAl, of its core African asset.

Nigeria's supreme court last week ordered that RusAl, which owns 85 percent of the formerly state-run Aluminum Smelter Company of Nigeria, or ALSCON, should cede ownership because the assets should have gone to another bidder, U.S.-based BFI Group, when ALSCON was privatized five years ago.

RusAl said the ruling contradicts Nigeria's Bureau of Public Enterprise, which handled the privatization and gave RusAl the green light to acquire the stake for \$205 million in 2007. The decision would thus not affect RusAl's ownership of ALSCON, the company said.

"The ruling could ... to a significant extent undermine Russian-Nigerian investment and economic cooperation and incur negative consequences for the whole scope of bilateral ties," the ministry said in a statement on its website.

"We urge the Nigerian government to take the necessary actions in order to prevent potential damage to the existing fruitful and mutually beneficial relations," the statement said.

BFI, headed by Nigerian-American Reuben Jaja, took the Bureau of Public Enterprise to court, saying the agency had breached its contract.

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

Oleg Deripaska, the controlling shareholder of RusAl, is a billionaire who has long enjoyed close ties with the Kremlin. The aluminum giant received billions of dollars in state bailout funds after the 2008 global financial crash.

ALSCON is one of RusAl's key African assets. It has an annual project capacity of 120,000 tons.

However, its operations have been hampered by regular electricity cuts, allowing ALSCON to produce only 15,000 tons of aluminum last year, a company spokeswoman said.

Nigeria is Africa's biggest oil producer. And like Russia, it is plagued by rampant corruption.

Both share 143rd position in the 2011 corruption perception index of 182 countries compiled by Transparency International.

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