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Khodorkovsky Criticizes Rosneft Takeover of TNK-BP

By The Moscow Times

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Jailed businessman Mikhail Khodorkovsky has criticized Rosneft's deal to take over British-Russian joint venture TNK-BP, saying President Vladimir Putin is leading the country toward "state capitalism" in an interview published Wednesday.

Commenting on the deal, which Putin approved Oct. 22, the former Yukos head told Forbes magazine that the deal raises concerns about "the legalization of assets that were illegally acquired" from Yukos when it filed for bankruptcy in 2004.

Should the $60 billion deal go through, state-owned oil giant Rosneft would become the world's biggest publicly traded oil company, extracting 5 percent of global oil.

But Khodorkovsky told Forbes that the deal would only take Russia further down the path to state capitalism, stifling private enterprise and forcing other privately-owned oil companies to either "fit in" to the new Rosneft-dominated market or leave.

Lambasting Putin's "one-man show," Khodorkovsky added that efforts to tighten the state's grip over the oil sector would inevitably lead to a rise in prices and low growth, with Russia falling behind China and other fast-growing economies.

Khodorkovsky was jailed in 2005 for fraud, embezzlement and money-laundering on charges widely seen as trumped-up to put him behind bars at the behest of Putin.

The former Yukos boss is not due for release until 2017, after he was convicted for a second time in 2010 for embezzlement.

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