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# Kadyrov Lashes Out At Rosneft

By The Moscow Times

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Chechen leader Ramzan Kadyrov has criticized Russian oil giant Rosneft for not paying enough taxes to Chechnya, leaving the republic no option but to borrow money to plug budget holes, Vedomosti reported Tuesday.

The government of Chechnya controls 49 percent of Grozneftegaz, while 51 percent belongs to Rosneft, who also holds the oil extraction license.

Musa Eskerkhanov, Grozneftegaz's CEO, met with Kadyrov to inform him of a 70 to 80 percent reduction in taxes collected in 2012-13 as a result of the Consolidated Group of Taxpayers law, which came into effect Jan. 1, 2012.

"As local Rosneft operators, our profit cannot exceed the cost of extracting oil, and the rest belongs to the license owner, i.e. Rosneft," Eskerkhanov said.

Kadyrov's government repeatedly asked the federal government to hand Grozneftegaz's control packet over to Chechnya, but Moscow refused, Vedomosti reported.

Grozny applied for an oil extraction license a few years ago, but the request was denied, with Rosneft voicing concerns that this would put control over the company's current and future oil production in Chechnya in jeopardy.

Of the 25 billion rubles ($795 million) that Rosneft earns annually from its operation in Chechnya, Grozny receives 2.5 billion rubles in taxes, Vedomosti cited Kadyrov as saying.

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