

Rosneft and Itera in Talks for Armenian Plant

By [The Moscow Times](#)

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Russian oil major Rosneft and gas producer Itera are in talks with Armenian authorities to acquire Armenia's largest petrochemical plant, Nairit, which specializes in the production of chloroprene rubber, Vedomosti reported Tuesday.

The report cited unidentified sources in the Armenian Energy and Natural Resources Ministry and Nairit.

A source in Itera confirmed to Vedomosti that the company was considering "different variants of participating in the project," adding that a final decision may be made by the end of May.

Nairit, which is owned by the British Rhinoville Property Limited and the Armenian government, which own 90 percent and 10 percent of the company, respectively, faces bankruptcy with a debt of \$120 million to \$130 million.

Production at the plant stalled in April 2010 when gas prices skyrocketed from \$54 to \$180 per 1,000 cubic meters, which made Nairit's operations unprofitable.

In the 1980s, the plant produced 10 percent to 12 percent of chloroprene rubber in the world.

In 2011, Armenian government rejected an Itera proposal for the plant and drafted its own plan of investment in Nairit's production, which it has presented to Rosneft, Vedomosti said. Rosneft refused to comment on the government plan.

A complete modernization of the plant will require several million dollars, Eurasian Development Bank chairman Igor Finogenov told Interfax in December.

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