

JP Morgan Hired to Consult Finance Ministry

By [The Moscow Times](#)

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U.S. lender JP Morgan will act as a consultant to Russia's Finance Ministry with the aim of boosting the country's credit rating and improving the image of the economy as a whole.

The firm was selected based on a number of criteria such as experience and quality of work, including in the Russian market and the proposed strategy of interaction with rating agencies, Vedomosti reported.

The ministry did not say how much JP Morgan will receive or how long the contract will last.

Deputy Finance Minister Sergei Storchak said earlier that representatives of one of the world's three leading rating agencies had arrived in Russia to determine if the current rating is still in effect.

"Currently there is no reason to raise or lower the rating," said Deputy Prime Minister Igor

Shuvalov on Thursday.

Last week, domestic rating agency Expert RA issued its first sovereign debt ratings, with Russia getting an A- grade — higher than its current BBB rating assigned by U.S. majors Standard & Poor's and Fitch Ratings.

Russia also has the third-lowest investment grade, Baa1, from Moody's.

According to the state program of public financial management, by 2016 Russia should reach category A rating on a Fitch and S&P scale and A3 level on a Moody's scale.

In February, an agreement was signed by the Economic Development Ministry and the Russian Direct Investment Fund with Goldman Sachs.

The investment bank was hired to improve Russia's image overseas and attract institutional investors.

Goldman Sachs will receive a payment of about \$500,000 over three years.

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