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VEB Needs $30Bln

By The Moscow Times

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The government needs to look for 1.1 trillion rubles ($30 billion) to recapitalize Vneshekonombank within the next seven years in order to save it from default, a news report said Thursday.

McKinsey & Company., a consulting firm that provides services for lender, said the bank needs 400 billion rubles to cover up loans that it provided under non-market conditions, Kommersant reported.

However an estimated 1.1 trillion rubles in total must be allocated to the bank by 2020 so it could continue financing large infrastructural projects.

McKinsey advised separating the bank's projects into those of importance to the country's economy and those that could be implemented with reduced participation from Vneshekonombank.

"It is possible to ignore [this problem] for some time, but eventually we will have to look for

ways to solve it.," Deputy Finance Minister Sergei Storchak told Kommersant.

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