

Sechin Backs Tariff Freeze and Boasts 40% Increase in Capitalization

By [The Moscow Times](#)

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Rosneft head Igor Sechin, having met with Prime Minister Dmitry Medvedev on Tuesday, praised the government's work with his company, including the proposed tariff freeze for natural monopolies.

The executive said the government's plans for a tariff freeze on gas, electricity and railroad services was a "completely objective" move, throwing his considerable weight behind a measure that has drawn the ire of the business community.

Though Sechin said his company was expecting the price restraints, his company may miss out on the benefits. The government is now considering a motion to raise railroad tariffs on the transport of oil and oil products by 6 percent in 2014, Vedomosti reported Tuesday.

In a conversation published on the government's website, Sechin also spoke about Rosneft's \$13.75 billion in profits so far in 2013 and reported a nearly 40 percent growth

in capitalization, from \$62 billion in 2012 to \$86 billion at the time of his conversation with Medvedev.

Rosneft is expected to bring 2.6 trillion rubles (\$80 billion) to the federal budget this year, Sechin said, making Rosneft the country's largest taxpayer, a position previously held by the state-owned gas giant Gazprom.

Sechin also emphasized that the profits were enabled by the government's support on major projects like extraction efforts in the Far East and modernization of oil refineries in Eastern Siberia.

Turning the conversation to price trends, the prime minister asked Sechin if Rosneft anticipated dramatic drops in oil prices.

Long-term contracts are a "key factor for stabilizing price factors," Sechin said, predicting that, "there will not be dramatic development in the oil price situation. The price will remain within reasonable boundaries while experiencing, of course, a certain volatility."

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