

Russian Post Privatization Planned in Two Phases

By [The Moscow Times](#)

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The national postal operator has experienced growing inefficiency in recent years but is still looking to both consolidate and diversify its operations in a bid to increase revenues. **A. Makhonin**

The Communications and Press Ministry plans to double the revenues of state-owned Russian Post to make the company ready for an IPO by 2018, Vedomosti reported Friday.

The ministry is proposing to sell a small share of Russian Post to a portfolio investor by 2015 and privatize the mail carrier completely from 2018 to 2021, according to a report that officials recently presented to the government.

The price of Russian Post is expected to be 150 billion rubles (\$4.7 billion) by the time it is ready for the second stage of the sale.

The initial sale of a stake in the mail provider to a private investor will help to make the business more transparent and can be used later as a success story to encourage participation

in the next stage of privatization, the report said.

Other changes that are planned to help the state company increase turnover include allowing it to provide banking services and reduce the number of unprofitable branches, decreasing the total from 14,000 to 8,500. Up to 80 percent of these remaining branches could later be closed.

Russian Post also plans to be more aggressive on the inter city courier market, such as servicing deliveries from online stores. Revenues in this sector are forecasted to grow from 16 billion rubles now to 65 billion rubles in 2018.

The report's authors expect that the planned changes will put Russian Post in the black by 2018 with revenues of 291 billion rubles and a net profit of 19.5 billion rubles.

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