

Government Pursues \$4.9Bln Payout From Rosneftegaz

By [The Moscow Times](#)

October 24, 2013



Rosneftgaz is the parent company of integrated oil company Rosneft.

The government is looking to extract \$4.9 billion from the coffers of a state energy holding company headed by Kremlin heavyweight Igor Sechin, a news report said Thursday.

Billions of dollars have accumulated on the balance sheet of Rosneftegaz from dividend payments on its large stakes in oil behemoth Rosneft and gas giant Gazprom, and its recent sale of 5.7 percent of Rosneft to British oil major BP. BP's acquisition of part of Rosneftegaz's stake in Rosneft was a condition of Rosneft's \$60 billion takeover of private oil giant TNK-BP earlier this year.

Prime Minister Dmitry Medvedev's Cabinet is grappling with slowing economic growth and budget spending cuts, and appears intent on forcing the holding company to pay up now.

Payment of \$4.9 billion to the government by Rosneftegaz was stipulated in the THK-BP

takeover deal, Kommersant reported, citing unnamed government sources. Finance Minister Anton Siluanov confirmed Thursday that the option of appropriating the money from Rosneftegaz was being discussed, but that no decision had been taken, Vedomosti reported.

Even after paying out nearly \$5 billion, Rosneftegaz will still have about 130 billion rubles (\$4.1 billion), Kommersant wrote.

This is not the first time the government has fought to extract money from Rosneftegaz, which is fully controlled by the state. After a protracted turf war, the holding company paid the government 50.2 billion rubles (\$1.58 billion) in 2012. Prior to that, Rosneftegaz last handed over money to the government in 2008.

Sechin, the influential head of both Rosneftegaz and Rosneft, is likely to oppose any move to drain Rosneftegaz of funds. He has suggested that the holding company be used to consolidate the power industry, and President Vladimir Putin signed decrees in 2012 allowing Rosneftegaz to take part in planned energy company privatizations.

Original url:

<https://www.themoscowtimes.com/2013/10/24/government-pursues-49bln-payout-from-rosneftegaz-a28899>