The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Business Today in Fast Facts

By The Moscow Times

December 23, 2013



Crisis-Striken Mechel Loses $2.2Bln in Year to October

Mining and Metals company Mechel posted a net loss of $2.2 billion in the first nine months of 2013, exceeding the loss incurred in the same period of 2012 by more than four times, the company said Monday.

Mechel's CEO, Yevgeny Mikhel, said the company had largely completed the process of shedding nonstrategic assets, which has allowed Mechel to improve its internal finances, but at the cost of nonmonetary asset write-offs that have damaged the bottom line.

The company's revenue from sales to external customers dropped 19 percent during the period to $6.69 billion, compared with $8.22 billion in the same period last year.

Since November, Mechel has been embroiled in a crisis of confidence over its level of debt, which stood at $9.7 billion as of Sept. 30. *(MT)*

Surveillance Cameras Could Help Fill City Coffers

Muscovites may soon be able to pay to get access to images from the capital's surveillance cameras thanks to a plan by City Hall to reduce the costs of running the equipment.

Mayor Sergei Sobyanin has asked his aides and the city government's Moscow Media holding to draft a plan that could make footage from some of the security cameras in the city available to the public or to private companies, Vedomosti reported Sunday, citing the media holding's director Igor Shestakov and city officials.

The city has about 120,000 surveillance cameras in apartment building entryways and yards, and another 2,000 in the streets and other public areas. The new commercial plan should cover at least half of the 5 billion rubles ($152 million) annual running cost, a city hall official said. *(MT)*

Putin Signs Law Prohibiting Exorbitant Loan Rates

President Vladimir Putin has signed a law declaring that the full price of a consumer loan cannot be more than a third higher than the average market rate as determined by the Central Bank.

The law, which goes into effect on July 1, also states that the borrower has a right to return the loan in full within 14 days without priorly notifying the lender.

According to the law, the borrower also has a right to be provided information for free about the terms of the loan, how to return the money, the amount of the interest rate, the services that he or she would be entitled to receive along with the loan, and how to decline such agreements or services. *(RIA Novosti)*

Putin Ratifies Free Trade Deals With Abkhazia and South Ossetia

President Vladimir Putin has ratified free-trade agreements with Abkhazia and South Ossetia, according to documents posted in an official database of regulatory and legal acts.

The deals were signed in 2012. Sugar, alcohol and tobacco from the Georgian breakaway republics are not included in the free-trade regime.

Russia and Georgia severed diplomatic ties in 2008 after fighting a brief war in August over Georgia's de-facto independent republic of South Ossetia. Moscow subsequently recognized both South Ossetia and Abkhazia as independent states, and provides them with economic and military support.

Their independence has been recognized by a handful of other countries, but most countries continue to consider South Ossetia and Abkhazia part of Georgia. *(RIA Novosti)*

Timchenko's Family Honored by Kremlin

President Vladimir Putin awarded the wife and daughter of Finnish oil trader Gennady Timchenko with the Order of Friendship for strengthening cooperation between Finland and Russia.

Timchenko's wife Yelena and daughter Ksenia Frank were among the eight foreign nationals named in the decoration decree signed by the president on Dec. 6 and published on the official Kremlin website, Vedomosti reported.

The recipients were honored for strengthening friendship and cooperation between Finland and Russia, promoting scientific and cultural ties between the two countries as well as their general philanthropic work, the document said.

Yelena Timchenko is the wife of Gennady Timchenko, who co-owns several major oil trading and infrastructure assets in Russia and abroad and is reportedly a friend of the president. Ksenia Frank is the businessman's younger daughter. *(MT)*

Ukraine Considers Gas Price Issue Settled

Ukraine's deputy prime minister, Yuriy Boyko, said he hopes the issue of the price for Russian gas has been settled.

"An additional agreement has been signed until 2019 [when the current bilateral gas contract's validity period ends]," Boyko told Ukrainian television channel 1+1 in an interview that aired Sunday.

President Vladimir Putin announced at a meeting with his Ukrainian counterpart Viktor Yanukovych in Moscow on Tuesday that Russia would sell gas to Ukraine's Naftogaz energy company for $268.50 per 1,000 cubic meters, which is well below the current level of $400. *(RIA Novosti)*

Original url: https://www.themoscowtimes.com/2013/12/23/business-today-in-fast-facts-a30746