

More Business Headlines

By [The Moscow Times](#)

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The  Moscow Times

Defense Industry Ordered to Buy Locally

The government has put a ban on purchasing foreign-made equipment for its defense industry if there is a locally-made equivalent, according to a statement posted on the government website Thursday.

The move will help guarantee the technological independence of Russia's defense industry and support domestic producers by protecting the local market, the statement said.

Metallurgical machines and metal casting equipment were among the equipment specified on the list, which goes into effect on Jan. 1.

Where such machines do not have a Russian-made equivalent, they will not be subject to value-added tax when imported, the statement said.

The Trade and Industry Ministry, according to the statement, will be responsible for checking

whether such equipment is produced domestically. *(RIA Novosti)*

Pugachyov Arrest Order Upheld

A Moscow court has sanctioned the arrest in absentia of former senator and wealthy industrialist Sergei Pugachyov, who is now wanted by the Russian authorities, a media report said on Thursday.

The arrest warrant for Pugachyov, ousted from the parliament's upper house in 2011, was issued last week in connection with an inquiry into the 2010 bankruptcy of his International Industrial Bank, known as Mezhprombank, according to sources cited by Kommersant.

Mezhprombank was declared bankrupt after failing to meet Central Bank requirements and repay creditors. The bank still owes creditors more than 80 billion rubles (\$2.4 billion).

Pugachyov's lawyers have appealed the arrest order, the report said. It was not immediately clear where the businessman is residing at the moment. *(RIA Novosti)*

Proton Launches Communications Satellite

A Proton-M rocket carrying a high-power telecommunications satellite lifted off Thursday from the Baikonur space center in Kazakhstan to wrap up Russia's space launch program for this year.

The Express-AM5 satellite, developed by Russia's Reshetnev satellite-manufacturing company, was headed for a geostationary orbit at 140 degrees east to provide mobile presidential and governmental communications, digital television and radio broadcasting services, as well as multimedia and VSAT network services.

The satellite, weighing 3.4 metric tons, carries 30 C-band transponders, 40 Ku-band transponders, 12 Ka-band and 2 L-band transponders.

The spacecraft has been designed to operate for 15 years and will generate no less than 14 kilowatts of payload power, according to the Reshetnev company. Canada's MDA supplied the repeater and antenna subsystems for the Express-AM5. *(RIA Novosti)*

Syria Signs Oil Deal With Soyuzneftegaz

Syria's state news agency says the oil ministry has signed a deal with Russian oil and gas company Soyuzneftegaz to explore in the Mediterranean Sea.

SANA's report Wednesday did not say where the deal was signed, though it said the exploration will take place off the Syrian coast.

Earlier this year, Syrian Oil Minister Suleiman Abbas discussed with the ambassadors of China and Russia the possibility of exploring for oil and gas off Syria's Mediterranean coast.

Most of Syria's oil and gas fields in the country's east are under opposition control and the country's oil exports almost have stopped.

Israel is already developing recent discoveries of massive offshore deposits and Lebanon has also spoken of trying to develop offshore fields.

Russia is one of President Bashar Assad's strongest international backers. *(AP)*

Tycoon Vladimir Potanin Files for Divorce

Vladimir Potanin, the billionaire CEO of the world's largest nickel miner Norilsk Nickel, has filed a divorce application in a Moscow court.

The application says marital relations between Potanin and his wife Natalya Potanina have effectively ceased, they have no shared assets and live separately.

Potanin is the largest shareholder at Norilsk Nickel according to the Financial Times, with a fortune that Forbes estimated this year at \$14.3 billion.

He made the international headlines in October when he bought the world's largest white truffle from a New York restaurateur for \$95,000. *(RIA Novosti)*

Olympic Organizers Get Extra \$50M Subsidies

The Cabinet has approved the allocation of nearly \$50 million in extra subsidies for the organizers of the Sochi Olympics.

The Cabinet's decision, reported by RIA Novosti on Wednesday, takes the total value of subsidies for the Sochi Organizing Committee to the equivalent of more than \$420 million.

The Cabinet said without elaboration that the extra money would help finance the committee's activities.

The allocations for the organizing committee are a small share of the total Sochi Games costs that amount to \$51 billion, making them the most expensive Olympics in history.

The games will take place from Feb. 7 to 23. *(AP)*

Ukraine Rating Bumped Up From Negative to Stable on Russian Support

Ratings agency Standard and Poor's said Thursday it revised the outlook on Ukraine's long-term sovereign 'B-' rating to stable from negative, citing reduced external and fiscal funding challenges thanks to the recent financial aid from Moscow.

"The stable outlook reflects our view that the \$15 billion in direct financing, which Russia announced ... should cover [Ukraine's] government's external financing needs over the next 12 months," it said in a statement.

Russia agreed to bail out Ukraine by purchasing its sovereign bonds after Kiev performed a sharp foreign policy U-turn and shelved plans to sign deals on political association and free trade with the European Union in late November. *(Reuters)*

For the Record:

According to preliminary calculations of Jones Lang LaSalle analysts, investment into Russian real estate reached \$8.1bn in 2013, which is down a mere of 7.5 percent from last year. *(MT)*

Aeroflot transported 1.7 million passengers in November 2013, up 17.8 percent over November 2012, with total passenger traffic for the first 11 months of 2013 at 19.3 million, up 18.5 percent year-on-year, according to a company statement. *(MT)*

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