

## More Business Headlines

By [The Moscow Times](#)

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**The  Moscow Times**

### **Economic Development Minister Plans to Visit Iran**

Economic Development Minister Alexei Ulyukayev plans an official visit to Tehran soon, his spokeswoman said Saturday.

"The minister's visit is being prepared, no information on dates so far," Yelena Lashkina said.

Iran's Fars news agency reported earlier in the day, citing Russian ambassador to Tehran, Levan Dzhagaryan, that Ulyukayev will visit the Islamic Republic on March 21 with a proposal to swap Iranian oil for the construction of railways.

Iran has endured a decade-long barrage of mounting international and bilateral sanctions over accusations from the United Nations and Western countries concerning its nuclear program.

Reuters reported in mid-January that Russia and Iran are discussing a deal to swap about

500,000 barrels of Iranian oil for Russian goods and equipment, and plan to sign it soon. *(RIA Novosti)*

## **Prosecutor Says Bitcoin Illegal**

Russian authorities have issued warnings against using Bitcoin, saying the virtual currency could be used for money laundering or financing terrorism and that treating it as a parallel currency is illegal.

"Systems for anonymous payments and cyber currencies that have gained considerable circulation — including the most well-known, Bitcoin — are money substitutes and cannot be used by individuals or legal entities," the Prosecutor General's Office said on Feb.6.

The Central Bank said on Jan. 27 that Bitcoin trade was highly speculative and that the unit carried a big risk of losing value.

"Citizens and legal entities risk being drawn — even unintentionally — into illegal activity, including laundering of money obtained through crime, as well as financing terrorism," it warned.

The Prosecutor's General Office said it was working with the Central Bank and other law enforcement agencies to tighten regulations and prevent legal offenses committed with the use of pseudo-currencies. *(Reuters)*

## **//Rosneft Offers Share of Nakhodka Polymer Plant to China**

Rosneft wants its Chinese partners in on a project to build a polymer plant in the far eastern city of Nakhodka, the head of the Russian state-run oil giant said Friday.

The tentative deal is in exchange for Rosneft's participation in the construction of the Tianjin oil refinery, a joint project with China National Petroleum Corporation, Igor Sechin said.

Sechin did not specify what share of the Eastern Petrochemical Company, which is behind the polymer plant, would go to the Chinese state-run company.

"We have a lot of potential investors there. We decided it would be correct to involve our Chinese partners, but this is a voluntary affair," Sechin told journalists in Sochi.

The Eastern Petrochemical Company, a Rosneft subsidiary, is set to construct a petrochemical complex in Nakhodka worth an estimated \$1.3 trillion rubles (\$37 billion). *(RIA Novosti)*

## **Authorities Approve Rosneft Plans for 2 Arctic Shipyards**

Russian authorities gave the green light to plans by oil giant Rosneft to begin production of Arctic seagoing vessels at two separate facilities, a senior official said Saturday.

The state-run company will build a new shipyard complex in the village of Roslyakovo in the northern Murmansk Region, Deputy Prime Minister Dmitry Rogozin said.

The complex will comprise military and civilian shipbuilding facilities, said Rogozin, who

oversees defense and space industries in the government.

Rosneft will also create a consortium that would produce LNG carriers and Arctic drilling platforms, Rogozin said on Facebook.

Production will take place at the Zvezda shipyard in the far eastern Primorye Region starting 2015, said the former envoy to NATO, once known for firebrand nationalism. (*RIA Novosti*)

### **Russia Hints Further Ukraine Economic Aid Depends on Gas Payment**

Russia will stick to its pledge to give Ukraine a second tranche of a \$15-billion loan, but has not yet allocated the sum as it waits for repayment of a \$2.7 billion gas debt, Finance Minister Anton Siluanov said on Saturday.

"We will fulfil what we have promised to Ukraine, but we would like the Ukrainian side to comply with the obligations that it has committed to," Siluanov told reporters.

The gas debt was due for repayment in late January, but Ukraine did not pay up, he said. (*Reuters*)

### **Ukraine Central Bank Plays Down Currency Fears**

Ukraine's Central Bank played down fears about the hryvna currency on Friday, saying any market strains caused by high demand for dollars were short-term and that its measures would soon bring stability.

Central Bank officials said the hryvna was now at an "adequate" rate after a 10-percent slide since November, when protesters took to the streets over President Viktor Yanukovich's rejection of an European Union trade agreement in favor of closer ties with Russia.

"There have been strains on the currency market recently, but we are sure this is only a short-term trend," governor of the National Bank of Ukraine, Ihor Sorkin, told a news conference.

"The national bank will strengthen monitoring control on the market to try to reduce speculative demand ... when the situation improves, the temporary measures will be removed." (*Reuters*)

### **Fitch Downgrades Ukraine from 'B-' to 'CCC'**

International ratings agency Fitch on Friday downgraded Ukraine's long-term foreign currency issuer default rating by two notches, to CCC from B-, citing political instability.

Fitch Ratings affirmed the long-term local currency IDR at B-, outlook negative.

The agency said the country had seen months of political uncertainty and escalating tensions, while talks between the government and the opposition ended with little progress.

The issue ratings on Ukraine's senior unsecured foreign and local currency bonds were also downgraded to CCC from B- and affirmed at B-, respectively.

The country ceiling was downgraded to CCC from B-, and the short-term foreign currency

IDR was downgraded to C from B.

Two other major ratings firms, Standard & Poor's Ratings Services and Moody's Investors Service, also downgraded Ukraine's status last week. (*RIA Novosti*)

### **Lithuania and Gazprom Agree to Implement EU Policy**

Russian gas export monopoly Gazprom has told Lithuania it will implement European Union market rules that would require it to sell off gas transmission assets there, the Baltic state's prime minister said Friday.

The EU's Third Energy Package of legislation, strongly criticized by Moscow in the past, aims to prevent those that dominate supply, such as Gazprom, from also dominating distribution networks.

"Gazprom agrees not to question [implementation] of the EU's Third Energy Package. We have agreed on this," the government press office quoted Prime Minister Algirdas Butkevicius as saying after meeting Gazprom's CEO Alexei Miller in Sochi.

Ex-Soviet Lithuania, which is entirely reliant on Russia for natural gas and pays some of the highest prices in Europe, has been negotiating a new deal with Gazprom. (*Reuters*)

### **Russians Drank 10M Liters of Counterfeit Whiskey in 2013**

Russian retailers sold 9.9 million liters of whiskey more than the country imported in 2013, according to official statistics that indicate a lucrative market in counterfeit alcohol.

The State Statistics Service figures were reported Friday by business news agency RBC.

The counterfeit whiskey market may be worth at least 8 billion rubles (\$230 million), given Russian alcohol prices, the agency said.

In 2012, retail sales of whiskey exceeded imports by 7.8 million liters.

In 2010, the first year in which data on the discrepancy in the amount between retailed and imported whiskey began to be collated, the excess of the spirit sold amounted to 16.8 million liters.

The Russian segment of the Internet hosts numerous sites offering replicas of elite alcohol brands with prices starting at 100 rubles (\$2.90) per bottle. (*RIA Novosti*)

### **Weekly Investment Fund Outflow at \$130M**

Capital outflow from investment funds focused on hit \$130 million for the week ending Feb. 5, but was less than the peak of \$230 million reached over the last eight weeks, according to data from Emerging Portfolio Fund Research released Friday, Vedomosti reported.

At the same time, global funds investing in emerging markets saw \$4.8 billion exit for the one week period.

The majority of country-oriented funds saw fund outflows for the week, except for South

Korea, which saw an inflow of \$182 million. India took a big hit, with a \$190 outflow for the period. *(MT)*

### **Sberbank Ups Bad Debt Provisions by \$821M**

Sberbank boosted provisions against potential bad loans by 28.5 billion rubles (\$821 million) last month because of increased corporate lending and a sharp devaluation in the ruble, the bank said on Friday.

Sberbank, feeling the effects of a faltering Russian economy that grew by only 1.3 percent last year, said a considerable part of the additional provisions covered risks on loans denominated in foreign currencies.

The January figure is equivalent to almost 30 percent of the 97.3 billion rubles set aside by Sberbank, Russia's biggest lender by assets, during the whole of 2013.

VTB Capital analyst Jason Hurwitz said the provisions were the highest in any month since 2010 but that flat net profit in January could be viewed as satisfactory, given the size of the hit. *(Reuters)*

### **Russian Economic Slowdown Hurts Finnish Tire Maker Nokian Renkaat**

Finnish tire maker Nokian Renkaat said it expected to increase both sales and profits in 2014 as demand in Russia, its key market, recovers slightly from a slump in 2013.

The leader in the Russian and Nordic winter tire markets said its fourth-quarter operating profit, excluding one-off items, fell 9 percent from a year earlier to 102 million euros (\$139 million), roughly in line with market expectations.

A slowdown in Russia's economy hit car and tire demand last year in the country, where the company has its main factory.

Nokian said it had a "slow start" for 2014 but still expected to see growth in the full year. It also said a fall in raw material costs would help support its margins. *(Reuters)*

### **Bashneft to Buy \$1.4Bln of Oil from Shell**

Russia's Bashneft said Friday its board had approved a deal to buy oil from Shell worth up to \$1.4 billion before February 2016.

Bashneft also said in a regulatory filing that it agreed to sell oil products worth up to \$2.4 billion to oil trader Septo Trading, registered in the British Virgin Islands, before January 2015.

Bashneft, owned by Sistema oil-to-telecoms conglomerate, needs to buy oil to feed its refineries located in the Urals mountains region.

The company did not reveal the volumes of oil and oil products involved in the deals.

Bashneft has been purchasing oil from Salym Development, a joint venture between Shell

and Gazprom Neft. *(Reuters)*

## **Billionaire Fetisov Mulls Lawsuit Against Bank he Formerly Owned**

A billionaire environmentalist and former lawmaker is considering suing a bank he formerly owned and had its license revoked earlier this month, his office said.

Gleb Fetisov's office said late last week the collapse of My Bank has cost him more than 2 billion rubles (\$57 million).

My Bank had its license revoked Friday over failure to honor credit obligations and false reporting. Russian finance officials said 90 percent of the lender's assets had been siphoned away.

Fetisov sold My Bank in December to a group of individuals reportedly close to the bank's chairman, Mikhail Miriskom. The price for the sale has not been made public.

The transaction took place shortly after reports that clients at the mid-size bank — which had about 9.6 billion rubles' worth (\$276 million) of retail deposits — were having difficulty withdrawing money. *(RIA Novosti)*

## **Russia to Start Building 9 Submarines Over 2 Years**

Russia will begin construction on nine submarines in the next two years, the head of the country's largest shipbuilder said Friday.

Mikhail Budnichenko, CEO of the Sevmash company, said at a defense expo in India the shipyard would lay down eight nuclear submarines in the next two years, including four of the new strategic missile Borey-class.

He added that the company would also build a special-purpose submarine, a term that in the past has been used for boats testing new technologies and weaponry.

The first Borey-class boat, the Yury Dolgoruki, entered into service early last year and the second, the Alexander Nevsky, joined the country's Northern Fleet in late December.

The boats are to be armed with the new Bulava intercontinental missile, which has been plagued by a string of failures in test launches as recently as September. *(RIA Novosti)*

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