

More Business Headlines

By [The Moscow Times](#)

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The  Moscow Times

Citi Lowers Growth Expectation to 1%

Citigroup has lowered its expectation for Russia's 2014 GDP growth from 2.6 percent to 1 percent. The growth of political tensions with neighboring Ukraine create significant risks for the Russian economy, Citigroup's chief economist for Russia and the CIS Ivan Chakarov said, Vedomosti reported.

In 2013, Russian GDP grew by 1.3 percent. Chakarov previously told journalists that growth would accelerate in 2014 due to increased investment from state-owned companies such as the gas giant Gazprom. However, citing uncertainty in Ukraine, he said that Citi now has lowered its projection for the growth of real investment from 3.8 percent to zero.

Chakarov also said that the private consumption had been a macroeconomic bright spot for Russia, but now Citi has lowered its consumer spending growth forecast from 4.2 to 3.2 percent.

(MT)

Ukrainian Billionaire Seeks Bank Buyer

Billionaire Igor Kolomoisky's Privatbank is looking for a buyer of its subsidiary, the Russian Moskomprivatbank, a news report said Tuesday.

Kolomoisky, who is one of Ukraine's richest men, is looking for a buyer after the Russian Central Bank appointed a new administration for the bank last week in order to prevent bankruptcy, Vedomosti reported.

Observers speculate the bank's sale is most likely due to political pressure, as Kolomoisky has been named as governor of Ukraine's Dnipropetrovsk region by the new Kiev-based authorities that Russian authorities consider illegitimate. In his first comments on the crisis in Ukraine last week, President Vladimir Putin singled out Kolomoisky as a "crook" who cheated Russian billionaire Roman Abramovich.

A bank employee told Vedomosti that depositors withdrew 1.1 billion rubles (\$30.2 million) from Moskomprivatbank on Friday.

(MT)

Deripaska Firm Sues Montenegro

The Central European Aluminum Company, a subsidiary of Russian billionaire Oleg Deripaska's firm En+, is suing Montenegro for more than 600 million euros (\$832 million) in damages.

Deripaska's company, that owns 29 percent of an aluminum mill in the country, is seeking compensation for damages caused by the Montenegrin government's repeated intervention into the investment process, PRIME reported.

The share in the factory has been one of Deripaska's most troubled assets and an unidentified person close to En+ told Vedomosti that in July 2013 the mill was rated as having 360 million euros in debt and a value of 180 million euros, a price which would have given En+'s subsidiary 52.8 million euros.

Last week it was announced that the Montenegrin company Uniprom had bought the mill for 28 million euros.

(MT)

Satellite Companies Reach Agreement

International Launch Services, or ILS, signed an agreement with Russian satellite manufacturer Reshetnev Information Satellite Systems on Monday to collaborate on launching two payloads using a single Proton-M rocket.

The companies will identify non-Russian payloads capable of being launched in a stacked configuration "with the lower spacecraft supporting the upper spacecraft," an ILS statement

said.

The stacked configuration will allow Reshetnev satellites to be launched "in a timely manner with competitive pricing for the companion spacecraft," a Reshetnev spokesman said.

A statement from ILS said that the two companies would meet regularly to "evaluate the commercial environment and any mutually beneficial joint initiatives that would serve the global satellite industry."

(MT)

Auto Sales Down 2%

Russian car sales fell 2 percent in February, a lobby group for the industry said. The decline is smaller than the previous month, which reflected a pick-up in demand as a sliding ruble encouraged consumers to put orders in.

The Association of European Businesses said 206,476 cars and light commercial vehicles were sold in Russia during February, down 2 percent on the previous year. In January, sales were down 6 percent.

Car sales have been falling in Russia because the economy is weakening and they are expected to remain weak this year.

The ruble has dropped nearly 11 percent this year, a fall that has accelerated because of the escalation of tension in Ukraine and raised the price of imported goods for consumers.

(Reuters)

Magnit Sales Up in February

Russia's biggest food retailer Magnit said on Tuesday its sales increased 25.2 percent year-on-year in February, the same pace as in the previous month.

Magnit, which last year overtook rival X5 as Russia's No. 1 grocery chain by revenue, said sales amounted to 52.5 billion rubles (\$1.44 billion) in February when it opened 78 new stores, bringing its total to 8,207.

The company earlier cut its full-year 2014 sales growth forecast to 22 to 24 percent from 25 percent due to a lower inflation outlook and as an economic slowdown started to hurt consumer confidence.

(Reuters)

World Economic Forum Names Vodianova a Young Global Leader

The World Economic Forum has named one Russian in its Young Global Leaders class of 2014, Naked Heart Foundation Founder Natalia Vodianova.

The Forum recognized 214 individuals younger than 40 years old who have "demonstrated a commitment to serving society at large" and a "record of extraordinary achievement."

Vodianova, a 32-year-old model and Nizhny Novgorod native who was nominated for The Moscow Times 2013 Humanitarian of the Year award, began her foundation to help children with disabilities and has built over 100 playgrounds for children across Russia. Her foundation has raised more than \$27 million in the last five years.

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