

# Debt-Stricken Mechel Looks to Shed Assets and Expand Asian Presence

By [The Moscow Times](#)

June 27, 2014



Mechel is planning to expand its coal deliveries to Asian economies such as China, Japan and South Korea.

Metals and mining group Mechel is looking to sell its U.S.-based coal mining subsidiary Bluestone as well as its Moskoks coke and gas plant in Moscow, as the company turns East in its attempts to regain a competitive edge and shed debts totaling \$8.3 billion.

"There are interested buyers," said Paul Stark, the head of Mechel's mining division, at the company's shareholders meeting in the Far Eastern republic of Sakha on Friday, Vedomosti reported.

It is still too early to disclose any details of the negotiations, he said.

Mechel purchased Bluestone for \$425 million in 2009. Bluestone operates three mining facilities in West Virginia, which produce coal for steel-makers in the U.S., Canada, Europe,

Asia and South America.

Last week, Mechel shares dropped 19 percent on the Moscow Exchange after a mass investor exodus.

Despite its troubles, Industry and Trade Minister Denis Manturov said Thursday that the government has no plans to declare the company bankrupt, and that a support plan will be finalized and presented to Prime Minister Dmitry Medvedev for consideration next week, Prime reported.

Far from scaling back operations, Stark said the company is planning to significantly expand its deliveries of coal to powerhouse Asian economies such as China, Japan and South Korea.

Mechel hopes to increase shipments to China by 19 percent, reaching a volume of 7.5 million tons annually. In Japan and South Korea, the company is planning to increase sales by over 40 percent, expanding export volumes to 1.85 million and 1 million tons respectively.

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