

Minister Says Bankruptcy an Option for Debt-Laden Mechel

By [The Moscow Times](#)

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Russian Industry and Trade Minister Denis Manturov.

Russian Industry and Trade Minister Denis Manturov supports returning indebted miner Mechel to financial health within the framework of bankruptcy law or by creating a managing company, RIA Novosti reported Thursday.

State-owned development bank Vneshekonombank, or VEB, said Wednesday it would not take part in a bailout of Mechel, extinguishing hopes for a convertible bond scheme that was seen as its most likely lifeline.

"We need to talk about financial recovery either via bankruptcy law, or by strengthening a managing company, which should take the risk on itself and the responsibility to take the company out of crisis," Manturov was quoted as saying in the Urals city of Yekaterinburg.

"But the tasks and the commitments are huge and I cannot say who is willing to take it yet.

Therefore, we will continue to work on it," Manturov added. He did not give any further details.

The loss-making coal to steel group, hit by weak prices for its products, is in critical need of government support as its 2013 core earnings were lower than loan interest payments.

With debts of \$8.6 billion, Mechel, co-owned by businessman Igor Zyuzin, has already gone through several debt restructurings with creditor banks.

See also:

[VEB Bank Rules Out Mechel Bailout](#)

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