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Russian Railways Could Get $2 Billion From National Welfare Fund for Mechel Deal

By The Moscow Times

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Mechel and Russian Railways were discussing the sale of the 321-kilometer line to the miner's Elga project for up to 70 billion rubles.

Russian Railways may get 70 billion rubles ($2 billion) from the country's National Welfare Fund to buy a rail link belonging to miner Mechel, Railways CEO Vladimir Yakunin was quoted as saying by TASS news agency on Thursday.

He said the deal would allow the state to help indebted Mechel, which has been struggling to get a deal to cover $2.7 billion in loans it has to repay next year.

In March, Russian media reported that Mechel and state-owned Russian Railways (RZhD) were discussing the sale of the 321-kilometer line to the miner's Elga project for up to 70 billion rubles.

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