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Russian Government Considers Saving Rosneft Through State Fund

By The Moscow Times

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Rosneft has asked the government for $42 billion support for Russian pensions to help it weather the sanctions.

Sanctions-hit oil company Rosneft will be able to apply for money from a state wealth fund, Deputy Prime Minister Arkady Dvorkovich said Tuesday, adding that the government had "on the whole" approved the company's investment program.

Rosneft's access to Western money has been restricted by the sanctions imposed in response to Moscow's role in the Ukrainian conflict. Rosneft has asked the government for $42 billion support from a fund earmarked for Russian pensions to help it weather the sanctions.

Dvorkovich said that Rosneft had yet to apply formally for help from the National Wealth Fund and that it must define the projects for which it needs money from the fund.

"Everyone has the right to apply to the Economy Ministry and to define its projects (for help

from the fund). Rosneft has not applied to us about such projects. There have been only general proposals," he said.

"We will look at (Rosneft's request) seriously," he said.

Last year, Rosneft's Chief Executive Igor Sechin said Rosneft needed $0.5 trillion to develop Russian Arctic fields. Analysts from Merrill Lynch said the Arctic program had long been seen as one of the bright spots of Russia's future economic development.

Dvorkovich declined to reveal the details of Rosneft's investment program, which stood at around 600 billion rubles ($15.5 billion) in 2013 and which had been expected to rise to 730 billion rubles for 2014.

"Rosneft's investment program was discussed дюринг the prime minister's meeting. On the whole, it was approved. There are some nuances on the timing of the program," Dvorkovich said.

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