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LUKoil, Evraz, Transaero: Business in Brief

By The Moscow Times

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Romania Confiscates Oil From LUKoil Refinery Pending Investigation

LUKoil's Petrotel-LUKoil refinery in Romania said Monday that authorities had confiscated its raw materials, crude oil and products pending an investigation.

In a statement, the refinery said: "Following the seizure of [our] raw materials, crude and products by penal investigation authorities, the Petrotel-LUKoil refinery has halted production and commercial activity."

"The timing of the [production] restart will be announced after a court rules on our appeal," it said.

LUKoil, Russia's No. 2 oil producer, said earlier Monday that it had halted work at its oil refinery in Romania, without giving details.

Romanian prosecutors, police and customs inspectors raided the offices of the refinery near the city of Ploiesti on Thursday, in an investigation into alleged tax evasion and money laundering. *(Reuters)*

Ukraine Energy Deal Expected

Europe's top energy official said Monday that he expected an interim gas deal between Russia and Ukraine to be completed this month, enabling Russian gas deliveries to Ukraine this winter and curbing the threat of cuts to Europe.

"We should get the interim solution in October," European Energy Commissioner GЯnther Oettinger said on the sidelines of a meeting of energy and environment ministers.

The European Union is trying to broker a deal to resolve a standoff after Russia shut off gas deliveries to Ukraine over what it said were more than $5 billion in unpaid bills.

Ukraine faces the possibility of energy shortages this winter if no deal is reached, which risks the replay of knock-on disruptions to Europe's gas supplies seen in 2006 and 2009. *(Reuters)*

Russia's Evraz Keeps Italian Steel Mill Idle

Russian steelmaker Evraz will keep its plate mill in Italy idle for the next 12 months due to deteriorating market conditions, CEO Alexander Frolov said Monday.

Work at Evraz Palini e Bertoli SpA, a unit of the Russian group, was suspended in August 2013 due to uncertainties in Italy's steel industry, the second-largest in Europe, which was hit by a drop in demand and environmental investigations.

"The suspension of Palini e Bertoli will be extended for another year as market conditions have worsened," Frolov told reporters on the sidelines of the World Steel conference in Moscow.

The facility in northern Italy has the capacity to produce 500,000 tons of steel plate of varying grades and sizes per year.

Italy's two biggest plants — Ilva and Lucchini — are under special administration and looking for buyers, while a third, Acciai Speciali Terni, faces a major restructuring and a potential future sale. *(Reuters)*

Transaero to Raise Ticket Prices

Russian airline Transaero will raise ticket prices by 10 to 15 percent on all routes starting in just a few weeks time, state news agency TASS quoted Transaero founder and shareholder Alexander Pleshakov as saying Monday.

Speaking to the Association of Russian Tour Operators, Pleshakov said the price increase was necessitated by declining ticket sales, the strengthening of the dollar and euro against the ruble and proposed tax reforms that could increase the cost of aviation fuel. The price increases will begin at the end of October, he said.

Transaero is the second-largest airline in Russia by passenger volume after state behemoth Aeroflot, with 12.5 people flying on the privately owned airline last year. *(MT)*

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