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Russia's Rosneft Sees $49 Billion Request for State Aid Rebuffed

By The Moscow Times

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The logo of Russia's top crude producer Rosneft is seen at the company's headquarters, behind the Kremlin wall, in central Moscow.

Sanctioned Russian oil giant Rosneft will get much less than the 2 trillion rubles ($49 billion) in financial aid it has requested from the state, Finance Minister Anton Siluanov said Friday.

Siluanov this week revealed that state-owned Rosneft, Russia's No. 1 oil firm, had requested the cash from the National Welfare Fund, one of Russia's rainy-day reserve funds. Rosneft says it needs the money to help it weather Western sanctions that have locked company out of international capital markets and left it with huge debts falling due to foreign banks that it can no longer roll over.

Speaking to Russia's lower house of parliament on Friday, Siluanov said that Rosneft has overrated the financial firepower of the welfare fund and that the company would be disappointed. "The requested amount will differ significantly from the results of our

assessment," he was quoted as saying by news agency Interfax.

The oil-revenue-funded welfare fund contains just over 3 trillion rubles ($80 billion), but the fund's rules say it can only invest 60 percent of its cash in Russia, with the rest entrusted to more liquid foreign bonds.

Much of the available resources have already been pledged to fund infrastructure development and help other sanctions-struck companies. "Not that large a part remains unused," Siluanov said, adding that existing commitments "will not be reassessed."

After an earlier request for support from the welfare fund by Rosneft, Siluanov said the company may receive up to $3.9 billion.

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