

Ruble, Uralkali, IKEA: Business in Brief

By [The Moscow Times](#)

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Ulyukayev Says Western Sanctions Likely to Last

Western sanctions over Russia's role in the Ukraine crisis are likely to last "for a very long time," possibly decades, Economy Minister Alexei Ulyukayev told the Vedomosti newspaper.

"When a U.S. law is passed it is very hard to change it afterward — looks like it will be in place for decades," Ulyukayev said in an interview published on Thursday.

Ulyukayev said a lack of structural reform of the economy had partly set Russia up for "the perfect storm."

He added that if there were no sanctions, no falling oil prices and if "we had not done some foolish things," which he did not elaborate on, the Russian economy could show annual growth of between 2.5 and 3 percent.

He added that sanctions may become tougher next year with the situation on the oil markets

worsening further. *(Reuters)*

China FX Regulator Keeping Eye on Russian Ruble Slide

China is closely monitoring the slide in the Russian ruble, the foreign exchange regulator said Thursday, as the currency of one of its major energy importers struggles to avoid a free fall.

Wang Yungui, head of policy and regulations for the State Administration of Foreign Exchange (SAFE), told a news conference that China was paying attention considering the close economic relationship between the two.

"We haven't seen a significant impact on our cross-border capital flows," he said.

Chinese Foreign Ministry spokesman Qin Gang, speaking at a later news conference, added that he believed Russia would overcome its problems.

"Russia has rich resources, quite a good industrial base. We believe that Russia has the ability to overcome its temporary difficulties," Qin said. *(Reuters)*

Uralkali May Have to Write Down \$1Bln After Mine Flood

Uralkali, the world's largest potash producer, may have to write down up to \$1 billion for damage to its Solikamsk-2 mine and loss of potash reserves, while output could fall next year if the mine has to close, the company said.

Production at Solikamsk-2 was halted in November after an inflow of water at the mine, which accounts for a fifth of the company's output and 3.5 percent of global capacity.

"If we talk about pessimistic scenario, total write-down might reach up to \$1 billion and [the] maximum amount of write-down will be attributable to the lost reserves," Uralkali's chief financial officer, Anton Vishanenko said.

The flooding at Solikamsk-2 did not affect its overall 2014 output and the company is trying to save the damaged mine, it said earlier Thursday. *(Reuters)*

IKEA Suspends Sales of Some Kitchenware in Russia

IKEA, the world's biggest furniture retailer, said Thursday that it had temporarily stopped sales of kitchen furniture and appliances in Russia because it could not meet increased demand.

Russians, worried about the collapse in the ruble, have rushed to buy durable goods such as cars and electronics before prices rise and their savings devalue as the ruble tumbles.

"IKEA Russia is temporarily stopping sales of kitchen furniture and appliances due to a large number of customer orders. Sales of kitchen furniture and appliances will be resumed starting Saturday, Dec. 20," it said in a statement.

The company said earlier it would begin raising prices in the country due to the recent sharp fall in the ruble. *(Reuters)*

Moscow Region Softens Alcohol Sales Law to Boost Budget Revenues

Lawmakers in the Moscow region on Thursday approved longer hours for alcohol sales in a bid to bolster budget revenues as Russia gallops toward recession.

Alcohol can be sold in the region, which surrounds the Russian capital, from 8 a.m. to 11 p.m. Sales were allowed only from 10 a.m. to 9 p.m. under a law passed in 2012 to fight alcoholism.

But with economic growth stalled and tax revenues falling, alcoholism has fallen down the list of priorities: "The current economic situation leaves much to be desired, so we are extending sales of alcohol in the region by four hours. This will bring an additional 1.5 billion rubles (\$25 million) to the regional budget," said Alexander Sharov, head of the committee on agricultural policy and consumer markets at the region's Duma, Interfax reported.

The Moscow region has the third-largest tax revenues in the country after the cities of Moscow and St. Petersburg. The region was among the first in Russia to restrict the sale of alcohol and until recently its regulation was harsher than the federal law, which sets a maximum alcohol sales window of 8 a.m. to 11 p.m. *(MT)*

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