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Ukraine Supreme Court Upholds Nationalization of RusAl Aluminum Plant

By The Moscow Times

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Rusal said it will appeal the nationalization of the Zaporozhsky Plant.

The Ukrainian Supreme Court ruled on Thursday to uphold the nationalization of an aluminum plant from Russian industry giant RusAl, news website Gazeta.ru reported citing the Ukrainian Prosecutor's Office.

The decision to seize Russian-owned assets on Ukrainian territory follows a spate of nationalizations of property belonging to the Ukrainian government and businessmen in Crimea, which Russia annexed last year. Relations between Russia and Ukraine are at an all-time low.

The Ukrainian prosecutor said the 68 percent stake in the southern Ukrainian Zaporozhsky Aluminum Plant belonging to Russian billionaire Oleg Deripaska's RusAl was worth 380 million hyrvnas ($17 million), according to Gazeta.ru.

A RusAl spokesperson told Forbes Russia the company would challenge the ruling in an international court.

The legal dispute centers around unpaid debts from AvtoVAZ-Invest, which bought the facility from the Ukrainian government in 2001 and which RusAl later acquired, according to Forbes.

The plant dates from 1933 and is the oldest aluminum factory in Ukraine, leading some to question its value. Valentin Reznichenko, governor of Zaporozhsky region, on Wednesday told journalists: "Let's be honest, [the plant] is finished. ... Outdated technology, uncompetitive products on the market. These days such plants are closing," according to news agency RBC-Ukraina.

"I don't know what the government will do with these shares and this business."

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