

European Development Bank to Reopen in Russia - Reports

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The  Moscow Times

The European Bank for Reconstruction and Development (EBRD) could reopen in Russia in 2017, the Gazeta news website reported Tuesday, citing sources close to the bank.

The EBRD froze operations in July 2014 following the EU's decision to impose sanctions on Russia.

The organization has neither confirmed nor denied these recent claims, with Anton Usov, the bank's representative for Russia and the former Soviet Union saying "we are upholding the status quo." Russia's Ministry for Economic Development also declined to comment on the matter, Gazeta reported.

According to the website's source, the bank will begin actively discussing restarting operations in the country this winter, with representatives of several countries already speaking out in favor of the move, Gazeta reported.

The EBRD still maintains offices in four Russian cities and whilst new projects have been put on hold, previously signed contracts are still being carried out.

Any reopening of the EBRD's operations would be preceded by the bank evaluating the state of the Russian economy. All decisions to both suspend and reinstate trade are taken by the board of directors, made up of representatives from 64 countries, including Russia.

Two reports will be presented in London in November, including a macroeconomic report of all the countries where the bank operates.

Gazeta cites a source close to the bank as saying that the reports could also be presented in Moscow.

One of the authors of the documents is Russian economist Sergei Guriev, who fled Russia for France in 2013. Six people, including Guriev, were being investigated in connection with the case against energy giant YUKOS. The company was forcibly broken up by the Kremlin in 2003 and its boss, Mikhail Khodorkovsky was imprisoned.

Guriev, a former rector of Russia's New Economic School, fled the country after being investigated as part of the case's reopening.

"I'm not going back (to Russia) whilst there is the tiniest chance that I will lose my freedom", he later said in an interview with The New York Times.

Guriev would not comment on either the EBRD's or his own return to Russia, Gazeta reported.

Russia's Economic Development Minister Aleksei Uliukayev formally requested the EBRD reestablish operations in Russia this summer, claiming its suspension violates Russia's rights as a shareholder with a 4 percent stake.

Russia has stressed that there is no rule in the EBRD charter obliging it to suspend operations in a country for political reasons, including the introduction of economic sanctions.

According to Gazeta, the resurrection of Russia's economy and stabilization of GDP growth after two years of decline will see the return of foreign financiers to Russia.

Indeed, Russia's economy still holds "potential for recovery," said the Eurasian Development Bank's Chief Economist, Yaroslav Lisovlik.

Many of Russia's assets are undervalued, he claimed, adding that "this provides a certain window of opportunity for foreign investors to take advantage of."

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