

Rostec Eyes Merger to Dominate Russian Electronics Market

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Denis Abramov / Vedomosti

State technology firm Rostec could be set to merge with one of the Russia's largest defense contractors, the Kommersant newspaper [reported](#) Monday.

If the plan goes through, Rostec's Roseletroniki company would merge with defense companies RTI and Micron, which are owned by the private Sistema conglomerate. The shakeup would allow Rostec and Sistema to claim 80 percent of the country's market for electronic components, an unnamed source told the outlet.

Rostec will likely hold the controlling stake, with executive board member Sergei Kulikov reportedly heralding the move as an opportunity to “optimize production costs” and “eliminate of mutual competition,” Kommersant reported.

A spokesperson for Rostec said that no decision had been reached on any potential merger.

The state has rapidly increased its presence in the Russian economy in the last decade, with its share in GDP rising from 35 percent in 2005 to 70 percent in 2015, [Russia's Anti-Monopoly service reported in September.](#)

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