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Rosneft to Sell Local Oil Assets to Chechnya

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Chechen Leader Ramzan Kadyrov **Valery Sharifullin / TASS**

Russian oil giant Rosneft could be preparing to sell its assets in the volatile Chechen republic to local authorities.

The proposals include selling a 51 percent share in the company's Chechen subsidiary Grozneftegas to the regional government, headed by Putin ally Ramzan Kadyrov, the Kommersant newspaper reported Monday.

The company's assets in the area — including an oil refinery which was never fully built — were valued by PwC in January 2017 at 12.5 billion rubles ($215 million).

The Russian government will have the final say on whether the deal takes place, but unnamed sources told Kommersant it was only "a matter of time" until the deal is finalized.

Russia's Economic Ministry did not comment on the claims.

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Kadyrov has long wrangled for greater control of the area's oil assets by asking Putin to transfer property belonging to Chechenneftekhimprom — the state-owned company that controls the republic's oil-refining and petrochemical industry — to the Chechen government itself. Putin finally granted Kadyrov's request in December 2015.

Kadyrov had claimed that Rosneft, the company which operated Chechenneftekhimprom's assets, was "not making optimal use of its resources, land and infrastructure."

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