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Rosneft Pledges Investment in Chechnya After Kadyrov Meeting

April 20, 2017



Rosneft chief Igor Sechin (L) shakes hands with Chechen President Ramzan Kadyrov **Kadyrov_95 / instagram**

Russian oil giant Rosneft has pledged massive investment in Russia's southern Chechen Republic amid reports that the company could sell its regional assets to local government.

Rosneft chief Igor Sechin met with Chechen President Ramzan Kadyrov on Wednesday to discuss funding for Rosneft's Chechnya-based subsidiary Grozneftegaz, the RBC news site reported.

As well as renovating the region's oil infrastructure, the company promised to build homes for ordinary Chechen citizens, as well as Grozneftegaz employees.

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The announcement follows reports that Rosneft has been poised to sell its Chechen assets to Kadyrov's government.

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).

Kadyrov has long claimed that Rosneft has “not made optimal use of its resources, land and infrastructure” in Chechnya, depriving the region of vital jobs and tax money. In March, he even criticized Rosneft publicly in a television interview for failing to build a long-promised oil refinery in the area.

Embed:

A post shared by Ramzan Kadyrov (@kadyrov_95) on Apr 19, 2017 at 9:26am PDT

The feud allegedly reached such heights that British newspaper The Financial Times linked Kadyrov's conflict with Rosneft to the St. Petersburg terror attack.

An unnamed Rosneft source told the newspaper that disagreements between the two men meant that police needed to check for Chechen involvement in the attack.

Sechin and Kadyrov both condemned the article in a joint statement published on Rosneft's website, calling the piece "knowingly unsubstantiated and deliberate lies."

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