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Russia to Subsidize Purchase of Vehicles From Sanctioned Oligarch's Carmaking Giant

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The Russian government will subsidize the National Guard's purchase of hundreds of armored vehicles and natural gas cars from firms controlled by the sanctioned oligarch Oleg Deripaska, according to a newly passed decree.

Deripaska was named in a list of sweeping U.S. sanctions against major Russian businessmen and structures last April for "malign activities." The U.S. Treasury Department extended the deadline for Deripaska to reduce his holdings in EN+, Rusal and the car manufacturer Gaz PAO by Jan. 7, 2019.

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A decree on the government's legal portal allocates 2 billion rubles ($30.2 million) for 600 National Guard vehicles and 1.5 billion rubles for the Industry Ministry to buy 1,500 natural gas cars from firms belonging to Gaz.

An explanatory note states that the purchase "will allow an increase in production capacity among sanctioned companies and address national security challenges."

All 3.5 billion rubles will be allocated from Russia's rainy-day Reserve Fund that was merged with the National Welfare Fund (NWF) and disbanded as of Jan. 1.

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