The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Sanctions-hit GAZ Wants Government Bail-Out – Kommersant

April 18, 2019

Oleg Deripaska **Mikhail Metsel / TASS**

Oleg Deripaska's van maker GAZ is asking the government for almost 30 billion rubles ($468 million) in support because it claims U.S. sanctions could slash production by almost 40 percent in the second half of the year, the Kommersant business daily reported on Thursday.

Kommersant cited a March 29 letter from GAZ Deputy General Director Vadim Sorokin to Deputy Prime Minister Dmitry Kozak of March 29 warning of the risk of default and negative social and economic consequences.

The letter said that because of the effects of the sanctions, GAZ had been forced to spend all its own funds, including its profit, on raising working capital, according to Kommersant.

The U.S. lifted sanctions on Deripaska's main assets — aluminum giant Rusal and its parent En+ in January after he dropped his stakes in them. Deripaska himself remains under sanctions.

The U.S. Treasury has given investors until July to divest from GAZ, meaning Deripaska could lower his stake and allow the company to be removed from the sanctions list.

Original url:
https://www.themoscowtimes.com/2019/04/18/sanctions-hit-gaz-wants-government-bail-out-kommersant-a65290