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Only God Knows When my Tenure Will End, Soviet-Era Oil Baron Says

By Reuters

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Vladimir Bogdanov **Yekaterina Shtukina / TASS**

Vladimir Bogdanov, who at 68 has run the Soviet and then Russian oil major Surgutneftegaz for 35 years, said on Friday that only God knows when his career will end at the company, whose ownership is a closely guarded secret.

The firm, headquartered in the West Siberian city of Surgut, is considered one of the most opaque in Russia despite chugging out steady flows of oil and holding enormous piles of cash. One of its corporate email addresses even starts as "secret@."

Management was long believed by analysts to have controlled around 90% of Surgut through an evolving structure of affiliates — including the in-house pension fund — but the company has never fully disclosed its ownership.

Bogdanov, the longest-serving chief executive of any global major, took the helm in 1984, just

over a year after the death of Soviet leader Leonid Brezhnev. He oversees daily production of 1.22 million barrels and cash reserves of almost $50 billion.

There has been speculation in the industry that Bogdanov might soon quit. Asked whether he wanted to continue his work, the CEO, in rare comments to the media, said: "There is the Lord God, ask him."

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He also dismissed reports the company might move its headquarters to St. Petersburg as "rumours."

"They've been sending me away for many years, to Moscow, or to St. Petersburg... But we've built this city (Surgut), and not only this city," he said.

Cash fountain

Since its privatisation in the mid-1990s, the company's oil production has almost doubled, and its cash reserves, in short- and long-term deposits, exceeded 3 trillion roubles ($47.7 billion) last year — close to the 3.9 trillion roubles held by the sovereign Russian National Wealth Fund.

The company revealed in 2013 in its annual results under International Financial Reporting Standards, published after a 10-year hiatus, that the bulk of its cash was held at state-controlled Sberbank, with further tranches at the Russian unit of Unicredit, Gazprombank and VTB.

After that, the company stopped publishing the names of the banks that held its money.

The amount and purpose of such wealth have been among the most enduring questions in Russia's oil industry in recent decades. Russian President Vladimir Putin once said Bogdanov "is rich, he has the biggest bank", in an apparent reference to the company's cash pile.

"It's not just lying in banks. It's working," Bogdanov said of the company's cash, without elaborating.

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