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Kremlin Approves Russian Telecom Operator's Buyout of Nokia

By AFP

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Jussi Nukari / IMAGO / TASS

Russian President Vladimir Putin on Wednesday authorized the state-owned telecoms giant Rostelekom to buy out Finnish mobile operator Nokia's stake in a Russian joint venture.

Under laws introduced in response to Western sanctions, the Kremlin leader must personally approve any deal that involves the exit of a Western company operating in sectors of the economy Moscow considers strategically important.

In a decree published Wednesday, Putin authorized a subsidiary of Rostelecom — which the government controls through various state development corporations and a state-owned bank — to buy out Nokia's 49% stake in a joint venture called "RTC — Network Technologies."

Rostelecom and Nokia launched the venture in 2018 to invest in "advanced technologies"

related to areas including 5G and the "internet of things," according to a press release published at the time.

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The Finnish company announced in April 2022 that it would leave the Russian market after Moscow launched its full-scale military invasion of Ukraine that February.

Russia and the West have wrestled over the status of assets held in each other's jurisdictions for the past two years, with Moscow last week announcing tit-for-tat measures that would allow it to confiscate assets held by U.S. companies and individuals in Russia.

The Russian government has taken a number of Western companies under "temporary" control since the start of the war, a move that some of the companies and Western officials slam as illegal nationalization.

The West has also targeted Russia's telecommunications networks through sanctions on technology and hardware exports.

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