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Russia's Bashkortostan to Sell Remaining Bashneft Stake to Rosneft

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Bashneft

The government of Russia's republic of Bashkortostan plans to sell the remaining portion of its stake in oil producer Bashneft to state-controlled Rosneft to help plug a budget shortfall, regional head Radiy Khabirov said Wednesday.

The planned sale comes as the oil-producing region faces strained finances and repeated Ukrainian drone attacks on Bashneft's refining and petrochemical complex in the regional capital Ufa. The sprawling facility, one of Russia's largest, has been targeted three times in August alone.

"We have a hole in the budget," Khabirov told reporters. "When there is not enough money, the natural thing to do is sell what you own, since borrowing on the market is expensive."

Bashkortostan recorded a budget deficit of 17.1 billion rubles ($205.2 million) in the first half of 2026, equivalent to 70.7% of its projected full-year deficit, according to the regional Finance Ministry.

The regional government announced plans in December to privatize a 6.36% stake in Bashneft. It sold the first portion of that stake to Rosneft in June but did not disclose its size.

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Acting regional Finance Minister Svetlana Malinskaya said the stake sold in June was worth 14.8 billion rubles ($177.6 million).

Bashkortostan had owned 25% plus one share in Bashneft before the sales, while Rosneft held 57.7%. The two remain the company's largest shareholders.

Bashneft's operations include the Bashneft-UNPZ, Bashneft-Ufaneftekhim and Bashneft-Novoil plants in northern Ufa, with combined annual processing capacity of 23.5 million metric tons.

A fire broke out at the Rosneft-owned Bashneft-UNPZ refinery after a Ukrainian drone attack on Aug. 5.

Khabirov said at the time that the region's industrial facilities had come under a large-scale attack and that 25 drones had been intercepted, but one drone nevertheless fell inside the industrial zone and started a fire.

The Ufa refining complex had also been repeatedly targeted in June and July.

Bashkortostan has recorded the highest confirmed number of residents killed while fighting in Russia's war against Ukraine among the country's regions, according to an independent tally by the exiled news outlet Mediazona.

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