



MOSCOW TOUTS AEROFLOT AS POSSIBLE PRIVATIZATION CANDIDATE

News / Airlines



Aeroflot (SU, Moscow Sheremetyevo) is among several state-owned entities the Russian government is currently considering as part of its accelerated privatization plans for the year.

Russian President Vladimir Putin last week convened a meeting with Prime Minister Dimitri Medvedev and other state bureaucrats to begin finalizing a list of firms and shareholdings that could be sold off. The Kremlin is looking to raise over RUB1 trillion (USD12.8 billion) through the disposals at a time when plunging oil and mineral prices coupled with international sanctions have negatively impacted revenue in-flows.

"The privatisation process plays an important part in changing the Russian economy's structure and stimulating an inflow of private investment," a presidential communique said. "We need to settle the concrete parameters for this year's privatisation programme and decide which stakes in companies with state participation can be sold to private organisations, and which should remain in the state's hands."

Aside from Aeroflot, government's controlling stakes in firms such as RusHydro, Rostelecom, Transneft, Rosneft, Bashneft, Russian Railways, Sovcomflot, and Alrosa are among the possible

assets for sale.

But, despite the sense of urgency, Putin underscored that the disposals would not be done at "bargain basement prices" and that any prospective investors would have to be based in Russia. Firms that are strategically important to their sectors will, however, remain under state control, he added.

For its part, Moscow, through the Federal Agency for State Property Management (Rosimushchestvo), currently holds a 51.17% stake in publically-listed Aeroflot.

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