
Russian firms seen rushing to Ukraine

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Reuters reported that Russian firms are gearing up for corporate acquisitions in Ukraine after this year's election of a more Moscow-friendly government in Kyiv.

Mr Andrey Goltsblat managing partner at Goltsblat BLP a joint venture with UK law firm Berwin Leighton Paisner said he is seeing an upsurge of inquiries from companies eyeing potential targets across the Ukrainian border.

He said that "Ukraine has become more interesting because of the political situation. Russian businesses are looking for strategic M&A opportunities there. There are a number of discussions going on and we will be seeing some M&A deals soon."

Mr Goltsblat whose firm has advised on Russian deals by foreign corporate such as Mars, Danone and LG said banking, metals and telecoms were the sectors Russian companies are studying in Ukraine.

Mr Goltsblat said, citing the prospective purchase by Sberbank of a stake in BTA Bank that while no major deals have happened yet, Russia biggest lender Sberbank plans to buy a top-10 Ukrainian bank and Prime Minister Mr Vladimir Putin has suggested a merger between gas monopoly Gazprom and Ukraine state run Naftogaz, though such a move was ruled out by Kiev. Russian companies are also targeting expansion in oil-rich neighbor Kazakhstan.

He said 2010 would see an increase from 2009 levels of M&A, but in contrast with past years when Russia cash-rich oil and metals firms prowled the world in search of buys, companies are now mostly seeking targets closer to home.

He added that the financial crisis had reduced the attraction of Europe and the United States for Russian companies, as harsh austerity steps and huge debt burdens across much of the developed world mean sluggish or zero growth for years to come.

On the other hand, Kazakhstan economy is expected to grow by up to 7% this year, Russia by around 5% and Ukraine by around 4%.

(Sourced from Reuters)

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