
Slowdown signs - Russian firms struggle to repay to VEB

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Reuters cited Mr Vladimir Dmitriev VEB head as saying that some Russian companies will struggle to pay back government cash borrowed from state bank VEB, leaving the door open for their possible nationalization.

Mr Vladimir Dmitriev told the Kommersant business daily in an interview that "For now all are meeting the payments. But we can see that a number of companies can face this problem."

Mr Vladimir Putin Russian Prime Minister said earlier this month that VEB will take shares in companies used as collateral if they fail to repay the loans on time.

Mr Dmitriev said "In this case the state bank is acting as an agent of the government. I do not want to talk about specific companies but I take words quite seriously, especially as he also heads VEB's supervisory board. He said that the state and the supervisory board must make decisions on the fate of this loan, adding that under current legislation the loan could be extended but not restructured."

But Russia's largest oil company, state-owned Rosneft paid back its USD 577 million credits more than six months ahead of schedule and VEB expects that a total of USD 2 billion will be paid back by its debtors by the end of this month.

VEB was also charged with using state funds to buy domestic stocks and corporate bonds, spending RUB 168 billion to this end last year out of an allocated 175 billion.

(Sourced from Reuters)

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