
Norilsk says Champion makes sense

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The Moscow Times citing Mr Alexander Voloshin chairman of Norilsk Nickel as saying that it would make sense for the world's largest nickel miner to merge with other Russian metals companies after the financial crisis is over.

Mr Voloshin a former head of the Kremlin administration said the idea of uniting Russia's largest metals firms could potentially be resurrected after commodity prices recover and the companies involved sort out their individual debt problems.

Mr Voloshin said, when asked whether Norilsk should merge with other metals firms "In a crisis, no But in principle, yes." He said the company had no concrete plans for any such deal.

Russia's metals billionaire's shelved plans to create a national mining giant around Norilsk Nickel after the Kremlin opposed plans to absorb their billion-dollar debts in exchange for a stake in such a firm. Metals and steel company owners had earlier proposed various schemes to offload debt by creating a Russian equivalent of the world's largest miner, BHP Billiton, and offering the state a minority stake. Voloshin, who worked as chief of staff for late President Mr Boris Yeltsin and his successor Mr Vladimir Putin, became chairman of Norilsk in December after state bank VEB took a stake as collateral on a USD 4.5 billion loan to shareholder United Company RusAl.

Mr Olga Okuneva Deutsche Bank metals and mining analyst said Mr Voloshin's statement confirmed that the state was willing to support a mega-merger but only if the conditions are right. Mr Okuneva said "The state will support a merger between Norilsk and other companies only if it is profitable for both the companies themselves and their shareholders."

(Sourced from The Moscow Times)

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