Russian Press Overview

State Duma Deputies Voted to Appoint Mikhail Fradkov as Prime Minister of Russia

The results of voting in State Duma on appointment of Mikhail Fradkov as a Prime Minister of Russia is 352 deputies supported Fradkov's candidacy, 58 deputies voted against and 24 deputies abstained.

While giving comments on results of the voting Mr. Fradkov declared that he was satisfied with the decision. He outlined that in the future the government intends to establish closer collaboration with State Duma.

Mr. Fradkov also announced the new government's plans. One of the main goals of a new Cabinet Mr. Fradkov sees in the improvement of welfare and safety standards. The key economic goals should serve the same purpose, he stressed. In particular, he considers the completion of the tax reform as a key priority. Mr. Fradkov said it was necessary to reduce the single social tax. He also spoke about the housing and communal sector reform. Although it was started a long time ago, "most people could only judge about it by rising household bills", Mr. Fradkov noted.

Mr. Fradkov also intends to reorganize the government structure to enhance the effectiveness and responsibility of the new government. In his plans to create a ministry that would unite the Economy Ministry, the Antimonopoly Ministry, the Property Ministry, the Ministry of Industry, Science and Technology, the State Statistics Committee and defense agencies, thus reducing the number of ministers and deputy prime ministers. It is also possible that in future the Communications Ministry will be united with the Transport Ministry and the Railway Ministry.

The Russia Journal, 2004-03-05

France's Total to Buy into SIBNEFT ?

MOSCOW, April 26 (RIA Novosti) - Overseas corporate tycoons are eager for Sibneft stock. The situation will make the Russian petroleum mammoth managers hurry up as they are parting ways with the controversial Yukos, forecast experts.

Overseas companies are launching talks long beforehand. They are, so to say, lining the queue for Sibneft stock-but they cannot do it before the Sibneft divorces the Yukos, says Evgeni Suvorov of the Zenith bank. He is sure the Sibneft will eventually be sold-the question is how much will go to whom. The French-based Total is the most hopeful purchaser out of an impressive bidder list, on which The Financial Times has put the USA's Chevron Texaco and Exxon Mobil, and the UK-Dutch Royal Dutch/Shell.

Alexander Razuvayev of the MegatrustOil agrees with his colleague on the Total's preferential chance. Overseas companies to come to the Russian market quite soon will gain, as petroleum assets will cost ever more with every passing day, he points out.

Overseas bidders have launched negotiations even before the Sibneft has parted with the Yukos. As Mr. Razuvayev sees the matter, it shows that the biggest Sibneft and Yukos stockholders have agreed it between themselves for a reverse deal, on which the Yukos will lose direct control of the Sibneft. The expert thinks they have made arrangements against overseas companies running political hazards as they bid for Russian petroleum shares.

The Total is bidding 25% Sibneft stock, assumes Maxim Shein of the Brokercreditservice. Others may bid for more, up to control stock. Be that as it may, sales cannot start before the Sibneft and the Yukos make their reverse transaction, he remarked.

Russian authorities have agreed, on preliminary terms, to Total Co. acquiring 25% Sibneft stock, The Financial Times says in today's issue. As the daily said on a previous occasion, Roman Abramovich, chief Sibneft holder, has been negotiating to cede 46% stock to the Royal Dutch/Shell, the Chevron Texaco and the Exxon Mobil. If Moscow goes on backing the Total, the French company will outrun its rivals, forecasts the daily. As an informant told it, the Total is bidding for 25%

Sibneft stock plus one share. A banker tentatively evaluated the block at four billion US dollars.

RIA Novosti, 2004-04-26

Kudrin Optimistic about Russia's Chances to Join WTO

NEW YORK, April 27 (*RIA Novosti's Andrei Loshchilin*) – Russian Finance Minister Alexei Kudrin said that he is certain that Russia will successfully conclude its negotiations on joining the World Trade Organization (WTO) this year.

"This spring our negotiations with the European Union will be completed, and in the course of the year – with the United States and other countries," Mr. Kudrin told members of the American-Russian Business Council in New York on Monday. "We are close to concluding every protocol. After that, the WTO secretariat will continue the work, but the process is already irreversible, and we will thus make another step toward the openness of the Russian economy."

"I am sure that at the negotiations on the WTO in the sector of financial services we will be able to come to an agreement with our partners, including the United States, which insists on the adequate rights of the foreign capital in the banking sector," the Russian finance minister said. However, he preferred not to go into the details of the agreement on this issue, stressing that "they are being discussed."

Mr. Kudrin said that the a new law about hard currency regulation that comes into force in July 2004 will be a big step in the liberalization of the Russian economy. "It seriously frees the movement of capital and preserves the right of the Central Bank to introduce certain restrictions," the minister said. "Beginning in 2007, we will fully remove all restrictions on the movement of capital, and this step requires us to conduct a more responsible economic and financial policy than has been until now."

In the next few years, according to Mr. Kudrin, Russia will continue to have a budget surplus. In this case, he noted, "we will not follow the example of the American administration, and even if taxes are lowered we will ensure that there is no budget deficit. We are carrying out budgetary reform with this goal. On Thursday, I will report on a new stage of this reform at a session of the Russian government."

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