

Russia – Economic News

- RUSSIA-CHINA TRADE UP 44% TO RECORD \$48 BLN IN 2007

/JANUARY 17/BEIJING/

Russian-Chinese trade grew 44.3% year-on-year in 2007 to a record \$48.16 billion, the Russian trade mission in China said on Thursday, citing China's customs statistics.

Russian exports to China grew 12.1% to \$19.67 billion while Chinese exports to Russia went up 79.9% to \$28.48 billion, registering a trade surplus in favor of China for the first time in bilateral trade relations, the trade mission said.

In 2006, Russia-China trade amounted to about \$28.6 billion, according to Russia's statistics.

Russia and China earlier set a joint goal of increasing bilateral trade to \$60 billion and possibly to \$80 billion by 2010.

- RUSSIA SEEKS TO BOOST RELATIONS WITH COUNCIL OF EUROPE - PUTIN

Itar-Tass 17.01.2008, 15.12 MOSCOW, January 17 (Itar-Tass) -

Russia pays serious attention to stronger relations with the Council of Europe, including PACE, President Vladimir Putin said receiving PACE President Rene van der Linden in the Kremlin on Thursday. "I would like to note that of late we have established a good working dialogue," he said. Putin stressed that Russia keeps a watchful eye on Linden's assessment of the ongoing processes in Europe and in Russia. "In general we share these assessments," he said. He expressed gratitude to the PACE chairman for assistance in Russia's presidency over the Committee of Ministers of the Council of Europe. Rene van der Linden said this was his last visit to Russia in the capacity of the PACE president as his term of office expired. During his presidency, he said, he had established good relations with Russia's State Duma and its speaker Boris Gryzlov as well as with Foreign Minister Sergei Lavrov.

- RUSSIAN GOVT. APPROVES BILL TO SETTLE SYRIA'S \$3.6 BLN DEBT

/JANUARY 17/RIA Novosti/

The Russian government approved at a session on Thursday a bill to ratify an agreement with Syria on settling the country's \$3.6 billion Soviet-era debt to Russia. In 2005, Russia agreed to write off 73% of Syria's Soviet-era debt to the sum of about \$14.5 billion, and to reschedule repayment of the remainder. Syria's debt to Russia accrued as a result of Soviet arms deliveries to Damascus. Under an inter-government agreement reached with Russia, Syria has to repay \$1.5 billion in convertible currency over a period of 10 years and \$2.1 billion in Syrian pounds, with these funds expected to go into the implementation of joint projects.

- Accounts of Russia companies frozen in France

/JANUARY 14/Itar-Tass/

Bank accounts of Russia's several enterprises and state-owned companies have been frozen in France at the request of the Swiss-based company NOGA.

In particular, accounts of the Central Bank and the news agency RIA Novosti have been seized.

The Paris Tribunal has approved the ruling of court bailiffs that was passed on the basis of the decision of the Stockholm International Court of Arbitration on the suit filed by NOGA on February 1, 1997.

- GAZPROM TO CO-OP IN IRAN'S OIL, GAS

/JANUARY 14/press tv/

Iran's Oil Minister Gholam-Hossein Nozari The Russian energy giant Gazprom will submit its proposals on Iran's oil and gas projects by March 2008, Iran's Oil Minister has said. In the previous meeting with Gazprom, it was decided that they should submit their proposals by late March (end of the Iranian year, March 20, 2008), added Gholam-Hossein Nozari, in an interview with ISNA Earlier, Hossein Noqrehkar Shirazi, Iranian Deputy Oil Minister for

international affairs, on the sideline of the Caspian Sea leaders' summit, had said Gazprom would participate in oil, gas, transportation, pipelines and refinery projects as well as developing oil and gas fields, manufacturing of pipelines and refinery related activities. "We will soon witness bilateral and multilateral cooperation between Gazprom, National Iranian Oil Company (NIOC) and National Iranian Gas Company (NIGC)," ISNA quoted him as saying. Gazprom expressed keen interest in developing some phases of the South Pars gas field and had offered a few proposals to that effect. Meanwhile, based on a memorandum of understanding earlier signed between Iran and Turkey on energy cooperation, last summer, Turkey is required to submit its detailed proposals by the end of this month.

- President Putin's visit to Bulgaria to bring pipeline deal, NPP contract
/JANUARY 14/RIA Novosti/

The Russian president's visit to Bulgaria this week will bring a package of deals, including on an ambitious oil pipeline project and a nuclear power plant, the foreign minister said on Monday.

"As to documents [to be signed], I would highlight an agreement to set up a company to oversee the construction of the Burgas-Alexandroupolis pipeline, which would involve the two countries and Greece, and a contract to build the Belene NPP," Sergei Lavrov said.

On March 15, 2007, Russia, Bulgaria, and Greece signed a deal on a pipeline to carry Russian oil via the Bulgarian Black Sea port of Burgas and Greece's Alexandroupolis on the Aegean, as an alternative route to bypass the congested Bosphorus.

Once completed, the pipeline will pump 35 million metric tons of oil a year (257.25 million bbl), a volume that could eventually be increased to 50 million metric tons (367.5 million bbl).

Russia was reported to have a 51% stake in the company.

The Russian-Bulgarian agreement on a nuclear power plant in the town of Belene on the bank of the Danube has been approved by the European Union. Russia's state-owned nuclear equipment monopoly, Atomstroyexport, which won a tender in 2006, is to build two reactors at the Balkan state's second nuclear power plant. The cost of the project is estimated at around 4 billion euros (around \$6 billion).

Lavrov said Russia and Bulgaria would also sign a deal to build a railroad ferry linking Russia's Kavkaz port in the Kerch Strait, which links the Black and Azov seas, to Bulgaria's Varna port in order to facilitate cargo movement.

He said more agreements could be signed during Vladimir Putin's visit to the country, which would also be timed to coincide with celebrations of the 130th anniversary of the liberation of Bulgaria from Ottoman rule by a force led by Russia's Tsar Alexander II. Bulgarians referred the Alexander II as the Tsar Liberator. Putin will also attend a ceremony to open the cultural program of 'Russian Year in Bulgaria'.

Russia's energy deals with Bulgaria and other south European states - including a natural gas pipeline South Stream to be build under the Black Sea to supply 30 billion cubic meters of gas to the EU annually - have triggered concern in Europe about its growing energy dependence on Moscow.

- Russian Alliance oil firm, Swedish West Siberian Resources to merge
/JANUARY 15/RIA Novosti/

The Russian oil company, Alliance, and Sweden's West Siberian Resources announced on Tuesday their plans to merge to form a vertically integrated company.

Alliance and West Siberian signed on January 15 a memorandum of understanding to create a leading independent oil company with a mix of upstream and downstream businesses in key oil-producing regions in Russia. Under the merger agreements that the parties intend to sign, Alliance will become a wholly-owned subsidiary of West Siberian.

Alliance, which runs an oil refinery in the Russian Far East, and West

Siberian, which develops oil deposits in west Siberia, will together own proven and probable oil reserves of 430 million barrels, with a production capacity of about 51,000 bpd and a refining output of 70,000 bpd as well as 255 filling stations.

The companies said in a joint statement that their combined market capitalization would amount to \$2.5 billion, while revenues for the first nine months of 2007 were estimated at \$1.4 billion.

- New Urals tank-making holding to streamline resources

/JANUARY 15/RIA Novosti/

The incorporation of Russia's major tank-making enterprise will help streamline the use of resources to build artillery and armored systems, a first deputy prime minister said on Tuesday. President Vladimir Putin issued a decree in August 2007 on the reorganization of the Uralvagonzavod Plant, based in Nizhny Tagil in the Sverdlovsk Region, as Research and Production Corporation Uralvagonzavod. "The creation [of the corporation] will open the way to overcoming the structural divide between armor-building enterprises, which has emerged in the past few years, and will also help end counterproductive, and often harmful competition for state resources," said Sergei Ivanov, the former defense minister who oversees the military industrial complex. He said the total production capacity of enterprises that will constitute the new holding in Russia's Urals mountains will grow by 150% to 335 billion rubles (\$13.5 billion), with the corporation's profits due to rise 400% to 28.5 billion rubles (\$1.15 billion) by 2010. Uralvagonzavod is the largest producer of T-72 and T-90S tanks. It also manufactures rail rolling stock, and road-building and civil engineering equipment.

- Russia brings in new law on foreign officials' financial deals

/JANUARY 15/RIA Novosti

Russia is tightening its control over financial transactions by foreign officials as a new version of the law on combating money laundering and the financing of terrorism comes into effect on January 15. The law obliges Russian banks, pawn shops, insurers and other organizations to ascertain and record the origins and destinations of monies received and sent by foreign public officials. The same measures also apply to their relatives. According to the Federal Financial Monitoring Service (Rosfinmonitoring), foreign public officials are defined in accordance with clause b, article 2 of the United Nations Convention against Corruption, to which Russia is a party. Under the convention, a foreign public official means any person holding a legislative, executive, administrative or judicial office of a foreign country, whether appointed or elected, and any person exercising a public function for a foreign country, including for a public agency or public enterprise. Andrei Yemelin, vice-president of the Association of Russian Banks, said the new law would narrow possibilities for foreign officials who may be involved in money laundering to carry out transactions through commercial banks. At the same time, Yemelin stressed the need to harmonize Russia's definition of money-laundering with Western standards in order to prevent any legal uncertainty.

- EU, Russia could discuss new partnership agreement before June

/JANUARY 15/RIA Novosti/

The European Union and Russia could launch talks on a new partnership and cooperation agreement within the next six months, a senior European Union official said on Tuesday. The latest Partnership and Cooperation Agreement between Russia and the EU was signed on June 24, 1994 in Corfu, Greece. The document came into force on December 1, 1997, and expired at the end of November 2007. Paul Vandoren, deputy head of the European Commission's delegation to Russia, told a news conference in Moscow that the EU hoped that negotiations on a new agreement would be launched during Slovenia's presidency. The Central European country holds the EU presidency from January to June 2008. The Slovenian ambassador to Russia, Andrej Benedejcic, said his country planned to prioritize relations with Russia in this period.

"Slovenia's presidency considers Russia a strategic partner and holds the expansion and the enhancement of cooperation with Russia as a priority," the Slovenian diplomat said. Pointing to some positive signals that have emerged of late, Vandoren said that a new framework agreement was currently being drafted to "upgrade the principles of our [the EU's] relations with Russia." In November 2005, Russia imposed a ban on Polish meat and other agricultural produce over what it called the low quality of meat and other products imported by and via Poland. The ban proved a major source of tension between Russia and Poland, which vetoed talks on a new Russia-EU partnership and cooperation agreement in protest against the embargo. The two countries signed a memo of understanding to lift the embargo from the bulk of Polish meat supplies last December. However, late in December, the EU expressed its concern over the Russian-British dispute following Russia's ban on regional offices of the U.K.'s cultural arm, the British Council.

- Russia's UES commissions 1st unit of power plant in Tajikistan

/JANUARY 20/RIA Novosti/

Russia's electricity monopoly Unified Energy System (UES) commissioned on Sunday the first unit of a major hydropower plant it is building in Tajikistan.

The construction of the Sangtuda-1 hydropower plant located some 110 km (68 miles) southeast of Dushanbe began in the late 1980s. By the early 1990s, only 20% of the construction work had been fulfilled, and further construction was suspended due to a civil war that broke out in the ex-Soviet Central Asian republic immediately after it declared its independence in 1992.

Tajik President Emomali Rakhmon who attended the launch ceremony praised the commissioning of the hydropower plant's first unit.

"This event has become yet another proof of close strategic cooperation between both countries," Rakhmon said.

The talks between Russia and Tajikistan on completing the construction of the Sangtuda-1 HPP began in 2003 and in 2004 the parties signed an inter-governmental agreement, under which the project was estimated at \$720 million. The first power unit has a capacity of 167.5 MW. The Sangtuda-1 HPP is expected to be put into operation in late 2008-early 2009. The HPP will have a total capacity of 670 MW.

- Russia delivers fourth fuel shipment to Iran nuclear plant

/aANUARY 20/RIA Novosti/

Russia delivered on Sunday the fourth fuel shipment to the Bushehr nuclear power plant it is building in southern Iran, the country's mass media said, citing officials.

The Iranian media quoted the Atomic Energy Organization of Iran as saying that 11 metric tons of low-enriched uranium had been delivered to the plant, which has been the focus of international attention over fears Iran is developing nuclear weapons.

The shipment is the fourth Russia has supplied to the Islamic Republic under a contract. The remaining four batches will be delivered according to a previously agreed timetable.

Sergei Kiriyyenko, the director general of Russian state nuclear corporation Rosatom, earlier said Russia will complete fuel supplies to the Bushehr NPP in February.

"In February we will complete the supplies, and actual work with the fuel at the plant will start in July-August," he said.

The first delivery to the plant, being built by Russian contractor Atomstroyexport, came on December 16, 2007 following months of project delays that Moscow attributed to payment arrears, but which Iran blamed on pressure from Western nations.

Under a bilateral intergovernmental contract, Russia is set to deliver a total of 82 metric tons of fuel divided into eight batches. Deliveries are monitored by the United Nations nuclear watchdog, the International Atomic Energy Agency (IAEA).

United States President George W. Bush, who has led international calls for sanctions against Iran over its refusal to freeze its nuclear program, said last month that he supported the start of Russia's enriched uranium deliveries to the Islamic Republic, and that Tehran no longer has any excuse to develop its own enrichment capabilities.

Russian Foreign Minister Sergei Lavrov echoed Bush's comments in late December, saying it would not be economically useful for Iran to continue its uranium enrichment program.

However, Iranian spiritual leader Ayatollah Ali-Hamenei insisted earlier this month that Tehran would continue enriching uranium for future nuclear power plants.

Tehran plans to hold tenders for the construction of 19 new nuclear reactors.

- Small Russian Delegation at Davos

Russian will have one of the smallest delegations in attendance at the Davos Economic Forum, which starts January 23. Only Deputy Prime Minister Alexey Kudrin and head of Vneshtorgbank (<http://eng.vtb.ru/>) Andrey Kostin will represent the country. Deputy Minister Kirill Androsov will come from the Ministry of Economic Development and Trade (<http://www.economy.gov.ru/>) .

The Russian part of the forum will also the smallest in its history, and it will discuss Russia's political, rather than economic, ambitions, on January 25. Meanwhile, the forum itself will be the biggest ever. Ukrainian President

Viktor Yushchenko

(http://www.kmu.gov.ua/control/en/publish/article?art_id=3D72956&cat_id=3D32588) is expected to announce his country's accession to the WTO (<http://www.wto.org/>) a the forum.

There will be two Russian discussion at the forum. They will be 'The Geopolitical Ambitions of Russia' and 'Russia and Its Neighbors.' Lithuanian President Valdas Adamkus will take part in the latter discussion. The key discussion will concern the Middle East, and U.S. Secretary of State Condoleezza Rice will speak at it. There will also be an 'informal energy summit,' which a number of Russian business figures will attend. Among them, RAO UES of Russia

(<http://www.rao-ees.ru/en/>) chief Anatoly Chubais, LUKOIL (<http://www.lukoil.com/>) head Vagit Alekperov, Oleg Deripaska of Basic Element, Aklexander Izosimov of VimpelCom (<http://www.vimpelcom.ru/>) and Ruben Vardanyan from Troila Dialog are expected.

A session of the working group on Ukrainian WTO (<http://www.wto.org/>) membership will meet simultaneously with holding of the Russian discussions on January 25. The previous Ukrainian government (<http://www.kmu.gov.ua/control/en>) swore not to negotiate with Russia on Russia's accession to the organization, although the Yulia Timoshenko (http://www.kmu.gov.ua/control/en/publish/article?art_id=3D33599&cat_id=3D32579) government has not yet repeated that promise.

www.kommersant.com

Jan. 18, 2008 (<http://www.kommersant.ru/doc.html?docId=3D843043>)

- RUSSIA TO RAISE TARIFFS ON ELECTRIC POWER SUPPLY TO AZERBAIJAN

/JANUARY 22/Today.Az/

Russian Inter RAO EES plans to raise prices of electric power, supplied to Azerbaijan.

The due information has been provided by vice president for Azerenerji Marlen Askerov.

"Russia has presented the due proposal to us, which is currently considered in the government", he noted.

Askerov announced that Russia plans to raise prices of electric power for Azerbaijan by 30%, and proposes to raise tariffs of energy exported to Russia to the same level.

Azerbaijan will adopt a resolution on the said issue until January 10.

Notably, the document on energy exchange between Azerenerji and RAO EES was signed on January 15 of 2007.

According to the contract, the price of 1 KW/hour of Russian electric energy for Azerbaijan was 3,636 cents.

Russia supplied 200-250 MW of energy in rush hours.

According to the agreement, the cost of electric power, supplied by Azerbaijan to Russia, was raised from 1.58 up to 1.8 cents. The contract covered the whole year of 2007, while the tariff referred only to the first quarter.

Yet, in April of 2007, the sides introduced amendments to the document. In line with the document, covering a period until February of 2008, the tariff on import of Russian electric power was increased, without restrictions in import, though.

Azerbaijan currently imports electric power from Russia, when necessary.

- IRAN-RUSSIA TIES "VERY GOOD, GROWING" - ELHAM

/JANUARY 22/IRNA, Tehran/

Government spokesman Gholam-Hossein Elham, said on Tuesday that Iran-Russia ties are "very good and growing".

Talking to reporters during his weekly press briefing, he said, delivery of the nuclear fuel for the Bushehr nuclear power plant by Russia has been a turning point in Tehran-Moscow bilateral cooperation.

"According to the agreement reached between the two sides and the two sides' undertakings, the commitments are being fulfilled," he added.

The fifth nuclear fuel shipment from Russia for Bushehr nuclear power plant arrived in Iran Tuesday morning.

So far, 55 tons of a total 82 tons of the fuel needed for primary stage of commissioning of the Bushehr nuclear power plant have been received and the remaining three shipments will be delivered to Iran according to the schedule.

- FIFTH FUEL SHIPMENT FROM RUSSIA ARRIVES

/JANUARY 22/IRNA, Tehran/

The fifth nuclear fuel shipment from Russia for Bushehr nuclear power plant arrived in Iran Tuesday morning.

Iran Atomic Energy Production and Development Company announced that the shipment has been forwarded to Bushehr nuclear power plant.

So far, 55 tons of a total 82 tons of the needed fuel for primary stage of commissioning of the Bushehr nuclear power plant have been received, the company added.

It said that the remaining three shipments will be delivered to Iran according to the schedule.

The first nuclear fuel shipment from Russia arrived on December 17, 2007.

- GAZPROM SET TO CLOSE DEAL ON 51% STAKE IN SERBIAN OIL COMPANY

/JANUARY 24/RIA Novosti

An agreement to sell 51% in Serbia's NIS oil company to Gazprom Neft, the oil arm of Russian energy giant Gazprom, will be signed on Friday, a source in the Kremlin said on Thursday.

"Intergovernmental agreements on cooperation in the oil and gas sphere and a protocol on the basic terms of Gazprom Neft's acquisition of a 51% stake in Naftna Industrija Srbije (NIS) will be signed in the presence of Russian President Vladimir Putin, Serbian President Boris Tadic, and Serbian Prime Minister Vojislav Kostunica in Moscow on January 25," the source said.

He said the sale of a controlling interest in Serbia's largest oil company would open up prospects of the company's development on a mutually advantageous basis, and guarantee long-term and stable supplies of energy products to the Serbian market.

- VEB TO GRANT \$80 BLN LOAN TO RUSSIAN ENTERPRISES

/JANUARY 24/RIA Novosti/

The Russian state Development Bank (VEB) is planning to issue a two trillion ruble (\$80 billion) loan to the Russian economy, the bank's chairman said on Thursday.

Vladimir Dmitriyev said VEB, a state-run corporation, would grant loans to companies in a variety of sectors, in particular infrastructure and power plant and oil refining projects.

He said VEB could become involved in implementing energy projects in Chechnya, building a power plant on the Argun River and modernizing the Grozny heat and electric power station, investing a total of around 6 billion rubles (\$240 million).

VEB will also provide around \$2 billion to a paper and pulp plant in the Lower Angara Area, whose construction is due to begin in mid-2009.

It was earlier reported that VEB would lend \$2 billion to state oil firm Rosneft to help it modernize the Tuapse refinery on the Black Sea.

Dmitriyev did not say exactly when the loan agreement would be signed.

Rosneft is implementing a two-stage upgrade program for the Tuapse oil transshipment complex to last through 2012.

- RUSSIA, SERBIA SIGN MAJOR OIL/GAS DEAL

/JANUARY 25/Itar-Tass/

25.01.2008, 15.06

Russia and Serbia on Friday signed a strategic intergovernmental agreement in the oil and gas sphere for a period of 30 years, with possible prolongation every five years.

The agreement envisions a package transaction: Russia's Gazprom purchases a controlling stake in the largest national Naftna Industrija Srbije Company, builds a 400-kilometer stretch of the Southern Stream pipeline in Serbia, and completes the construction of the Banatski Dvor gas storage facility for 300 million cubic meters.

Experts estimate the total cost of the transaction at some two billion euros.

- GAZPROM STRIKES DEAL ON EUROPEAN GAS HUB IN AUSTRIA

/JANUARY 25/RIA Novosti

Russia's state-run gas giant Gazprom and OMV, an Austrian oil and gas company, signed a cooperation agreement in Vienna to set up a gas trading platform and storage facility in Europe.

The agreement signed by Alexander Medvedev, deputy chairman of the Gazprom management committee, and Wolfgang Ruttenstorfer, OMV's CEO, will give Gazprom a 50% stake in one of the largest gas hubs in Europe - the Central European Gas Hub (CEGH) in Baumgarten, Austria.

"The agreement signed with OMV is a substantial contribution to securing natural gas supplies to Europe," Medvedev said.

OMV Gas International deals with the group's activities in the natural gas sector and is focused on marketing, trading and logistics. The CEGH in Baumgarten was established as a logistical and commercial trading platform by OMV and has a capacity of 1.3 billion cu meters per month.

The agreement is based on the Memorandum of Understanding signed in May, 2007 by Ruttenstorfer and Alexei Miller, Gazprom CEO, during a visit to Austria by Russian President Vladimir Putin.

- RUSSIA, KYRGYZSTAN EYE JOINT ENERGY PROJECTS

/JANUARY 25/RIA Novosti

Gazprom may be granted a license to develop Kyrgyzstan's hydrocarbon reserves, and start prospecting in March, Prime Minister Igor Chudinov said on Friday.

"We are pinning great hopes on cooperation with Gazprom in gas prospecting and

production at two deposits in Kyrgyzstan," he said at a meeting with his Russian counterpart Viktor Zubkov.

He also said Russia and Kyrgyzstan would build the Kambaratinsk GES-2 hydro power plant, which will be able to meet energy demands in Kyrgyzstan and Central Asia as a whole.

"We lack power generating capacity, and this project will help develop the energy sector not only in Kyrgyzstan, but in the entire region," the Kyrgyz prime minister said.

Kyrgyz experts have blamed the authorities for delays in talks with Gazprom on a joint project for the exploration and production of hydrocarbons in Kyrgyzstan.

Media quoted an analyst as saying Kyrgyzstan has so far "failed to offer acceptable terms" to Gazprom. "As a result, the state-run Kyrgyzneftegaz company in the country's south is only producing 70,000-90,000 tons of oil per year. In the meantime, demand for the Kyrgyz market is growing," he said.

- RUSSIA'S GDP GROWTH REACHED 8.1% IN 2007 - STATISTICS SERVICE

/JANUARY 31/RIA Novosti/

Russia's GDP growth reached 8.1% in 2007, First Deputy Prime Minister Dmitry Medvedev said on Thursday citing the national statistics service.

"The Russian Statistics Service has calculated GDP growth results for 2007, and according to their data, which differs from economics ministry reports, the figure was 8.1%," Medvedev said.

The Economic Development and Trade Ministry earlier assessed the country's 2007 GDP growth at 7.7%-7.8%.

In the past five years, the Russian economy has grown at an annual rate of above 7%, except for 2005, when GDP expanded 6.4%. In 2006, GDP grew 7.4%.

- REGULATOR ALLOWS RUSAL TO BUY 29% STAKE IN NORILSK NICKEL

/JAN UAR 31/RIA Novosti/

Russia's anti-monopoly watchdog said on Thursday it had allowed aluminum giant UC RusAl to buy a stake of 29% plus 1 voting share in Norilsk Nickel. RusAl filed a bid to buy the stake in the world's largest nickel producer on December 19, 2007.

The banks ABN AMRO, BNP Paribas, Credit Suisse and Merrill Lynch launched on Wednesday syndication of a \$4.5 billion loan for RusAl so that the aluminum giant could buy 25% plus 1 voting share from billionaire Mikhail Prokhorov's Onexim Group.

Prokhorov and his former business partner Mikhail Potanin, the two major owners of Norilsk Nickel, are currently dividing the business. Prokhorov holds a 28.2% in the company, and Potanin owns another 25.3%. Each of the two businessmen owns 4% in the company through KM Invest.

- Last year's birth rates in Russia best in quarter century ` Medvedev

/FEBRUARY 1/Itar-Tass/ NOVOCHERKASSK/

Russia had the best birth rate showings in 2007 over a quarter of a century, First Deputy Prime Minister Dmitry Medvedev said Friday as he visited the city of Novochoerkassk, historically the capital of the Don area Cossacks.

"I'd like to relate some encouraging information to you," Medvedev told a session of the Council for Promotion of Self-Government. "The Russian Federal Service for Statistics released a report today that we've reached the best birth rate over the past 25 years ` this is to say, the best even versus the Soviet period, which we thought to be a satisfactory one."

"Let's not stop at this /achievement/," said President Vladimir Putin, who also attended the session.

- Russia to build up presence in global ocean - navy commander

/FEBRUARY 3/RIA Novosti/SEVEROMORSK/

Russia will build up its presence in the strategic areas of the World Ocean, the Russian navy commander said on Sunday.

Admiral Vladimir Vysotsky summed up Sunday the results of the Russian naval task force's two-month tour of duty in the Mediterranean Sea and the North Atlantic. The operation was the first large-scale Russian navy exercise in the Atlantic and the Mediterranean in 15 years.

"What is important is that we have appeared [in the Atlantic and the Mediterranean] at a scheduled time and not just that we appeared there. We'll do all we can to build up our presence where Russia has strategic interests," Vysotsky said, adding that Russia intended to carry out similar missions once every six months.

The flagship of Russia's Black Sea Fleet, the Moskva guided missile cruiser, joined up with Russian naval warships in the Mediterranean on January 18 to participate in the maneuvers in the Atlantic from January 28 to February 2. Russia's naval task force comprised the Admiral Kuznetsov aircraft carrier, the Udaloy-Class destroyers Admiral Levchenko and Admiral Chabanenko, as well as auxiliary vessels.

Over 40 aircraft of Russia's Air Force, including Tu-160 Blackjacks, Tu-95MS Bears, Tu-22M3 Backfire C strategic bombers, A-50 Mainstay airborne early warning aircraft, Il-78 Midas aerial tankers, MiG-31 Foxhound long-range interceptors and Su-27 Flanker frontline fighter aircraft participated in the drills jointly with the navy.

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