

Putin Says Norilsk Feud Hurts Company

By [The Moscow Times](#)

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The  **Moscow Times**

A public feud between Norilsk Nickel's two largest shareholders is damaging the company, Prime Minister Vladimir Putin told news agencies Friday, while noting that Russia had not yet emerged from the economic crisis.

The government helped broker a peace deal between the two Norilsk owners in 2008, fearing that their dispute would harm the strategic company as the economic crisis was settling in.

"The Russian economy, just like the world's economy as a whole, is emerging from the crisis gradually," Putin said during a trip to the Far East, RIA-Novosti reported. "We believe that we have to continue to implement these [anti-crisis] programs," Putin said.

Putin was scheduled to visit Norilsk last week but had to delay the trip because heavy fog prevented him from landing in the Arctic city. The miner, with a market capitalization of \$32 billion, is the world's largest producer of nickel and palladium.

"It is a healthy company," Putin said, Interfax reported. "There is a fight among the main

shareholders, and this fight, no doubt, is causing damage to the company," he said. "The government in this case is limited in its actions by the law."

Comments from Putin on specific businesses are relatively rare, but owners and analysts pay careful note to criticism from the prime minister.

Vladimir Potanin's Interros Holding and Oleg Deripaska's United Company RusAl each control at least 25 percent of Norilsk and have offered to buy each other out in a dispute over the company strategy and contested elections to its board of directors.

RusAl has accused Norilsk management of manipulating election results, causing it to lose a representative and leaving it on unequal footing with Interros.

Norilsk has denied the claim, while both Interros and RusAl have accused the other of trying to run the company against the interests of other shareholders.

Responding to a reporter's question about the social implications of the shareholder battle, Putin said the situation at Norilsk was "nothing like" what had happened in Pikalyovo.

Putin traveled to the Leningrad region town in June 2009 and personally ordered business owners — including Deripaska — to restart plants there and pay salaries.

"As far as what's happening at Norilsk Nickel, you can't compare it to Pikalyovo," he said, Interfax reported. "There's nothing alike."

Norilsk said Friday that it completed its dividend payout for 2009, one of the decisions made at an annual meeting that RusAl is contesting. Norilsk paid out \$1.33 billion, less than RusAl wanted, the company said.

First Deputy Prime Minister Viktor Zubkov ordered the speeding-up of a decision on new copper and nickel export duties, Interfax reported Friday.

A government customs tariff commission will discuss the duties at its next meeting at the end of September, Interfax reported, citing an unidentified commission official.

(Bloomberg, Reuters, MT)

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