

Kudrin Sees Aeroflot as Sale Target

By [The Moscow Times](#)

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Russia may sell a minority stake in flagship air carrier Aeroflot in 2011 as part of its wide-ranging privatization program, Finance Minister Alexei Kudrin said Tuesday. ☒Russia unveiled a \$50 billion asset sale program earlier this year in a bid to reduce the budget deficit and improve efficiency and corporate governance at key companies. ☒It plans to sell stakes in bank VTB, oil giant Rosneft and shipping group Sovcomflot, among other major companies, and Kudrin said Aeroflot could now be added to the list. ☒"Now we are discussing the sale of only a minority stake, so that 50 percent plus one share remains with the state," he said. ☒The Russian government increased its control over the airline earlier this year via the purchase of part of a stake owned by billionaire Alexander Lebedev, but had yet to formally decide what to do with the extra shares. ☒It currently owns 51 percent of the company, while the Central Bank owns a further 12 percent.

The shares advanced 5.3 percent to 74.55 rubles at the close in Moscow, its strongest since Aug. 18, 2008.☒Kudrin also said the government had been discussing selling minority stakes in state-owned oil company Zarubezhneft and Sheremetyevo Airport in 2011-13.

The government should also consider selling stakes in rail monopoly Russian Railways, telephone holding Svyazinvest and Agency for Housing Mortgage Lending, known as AIZhK, in three years, Kudrin said. The proposals were discussed with First Deputy Prime Minister Igor Shuvalov during a government meeting Monday, Kudrin said.

(Reuters, Bloomberg)

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