

RFC Plans Shipyard Purchases

By [The Moscow Times](#)

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LONDON — Russian Financial Corporation, or RFC, plans to buy up to six shipyards this year, possibly partly financed through a bond issue, but has no plans to float its shipbuilding business, its chairman said Tuesday.

Shipbuilding and engineering firm RFC currently owns three shipyards in the country, all bought with money from existing shareholders. But the company, in which chairman Andrei Kiselev holds 71 percent, wants to attract more private investors to fund expansion and modernization.

RFC plans to consolidate the shipyards into one company, because the only way to prosper in the shipbuilding industry is to control at least two-thirds of the market, Kiselev said. But there are no plans to sell the consolidated shipbuilding business in an initial public offering.

"We see an IPO as one of the ways of attracting additional funding, but at the moment we don't have that in our current plans," Kiselev told Reuters in an interview in London.

"We do not exclude issuing bonds," he said, adding that even the most modern shipyards in RFC's sights needed some \$10 million to \$15 million of investment to upgrade them.

RFC is to concentrate on building vessels of up to 15,000 tons, many of which will be built to run on liquefied natural gas, and the company has no plans to start building larger oil tankers, he said.

The company is currently in negotiations with the Indian government about a contract to develop India's river system for more effective public and cargo transport use.

"More and more governments are realizing the ecological benefits," he said.

"River transport is a lot more environmentally friendly."

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