

Baikal Pulp Mill Goes Bankrupt

By [The Moscow Times](#)

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One of the major targets for environmentalists in the Baikal area has been declared bankrupt following a court hearing on Wednesday.

The bankruptcy proceedings at the Baikal Pulp and Paper Mill will be completed by June 5, 2013, according to a ruling by the Irkutsk Region Arbitration Court. The mill's total debt is more than 2 billion rubles (\$65 million), Vedomosti reported.

On the same day, newly appointed bankruptcy trustee Alexander Ivanov confirmed that VEB has opened a credit line to the mill for up to 460 million rubles to finance its expenses.

The mill's creditors approved the terms of the credit line on Dec. 5. VEB would provide the 460 million rubles for a term of up to two years at a 15 percent interest rate.

The loan will help the mill to continue operations following the bankruptcy announcement, although it will still have to undergo a property inventory and assessments before creditors decide what to do with it, Ivanov said.

Representatives of the World Wildlife Fund and Greenpeace welcomed the court's decision. They described this as an opportunity for the authorities to eventually close the plant, which has been a major source of pollution on the Baikal lake since it was founded in 1966.

"The obsolete Baikal Pulp and Paper Mill has for many years worked to the detriment of the country's budget," according to a statement by the World Wildlife Fund, "Now the plant has been officially declared bankrupt and its closure is just a matter of time."

The mill was previously put into receivership in 2010 when its debt totaled 2.8 billion rubles, RIA-Novosti reported. It was not possible to settle the debt fully by the time the receivership term expired, Ivanov said on Wednesday. One of the main issues was that the receiver had incorrect data about the plant's general condition.

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