

Russian Railways Will Open for Private Investment

By [The Moscow Times](#)

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Private investors may soon get the opportunity to own parts of Russian Railways infrastructure, but the state monopoly will still retain the right to manage them.

The government is currently working on changes to a law about railroad transport, which include allowing private investors to own parts of the network, Vedomosti reported on Friday.

However, the law also prohibits the investors from managing any lines. They have to either lease the infrastructure to Russian Railroads or transfer it to the company as a trustee. The way that the railroad will be managed must be specified as part of the investment agreement, according to the draft document.

Such a deal could be detrimental for investors, Anton Panchenkov, a lawyer from Goltsblat BLP, told Vedomosti. He said investors would be able to recover some of their funds if they rent out the railroad infrastructure to Russian Railways, but if they choose to entrust it to the

company, current rules dictate that they would also have to pay the operator for servicing the rails.

Officials from Russian Railways have previously said that the company doesn't have enough resources to modernize and expand its infrastructure. The state-owned company's plan for investment through 2020 requires 5.7 trillion rubles (\$170 billion), but has a deficit of 1.9 trillion rubles (\$56.8 billion).

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