

Norway's Wealth Fund Mulls Scaling Back \$8 Billion Russia Assets

By [The Moscow Times](#)

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Norway has no obligation to comply with EU sanctions.

Norway's colossal sovereign wealth fund is considering reducing its \$7.6 billion portfolio of Russian investments as Russia stares down the barrel of tougher EU sanctions, Bloomberg reported Thursday.

EU ambassadors met on Thursday to discuss sanctions drawn up by the European Commission, chief among which were proposals to ban European investors from buying new debt or shares in banks majority-owned by the state, Reuters reported.

Not being an EU member, Norway has no obligation to comply with EU sanctions, but the country's sovereign wealth fund is nonetheless reviewing its Russian investments to limit potential damage.

With \$890 billion in total assets, Norway's sovereign wealth fund is the biggest in the world.

Its 65 Russian investments are worth \$7.6 billion in stocks and bonds, both corporate and government, according to the fund's 2013 annual report

The largest is a 4.6 percent stake in state bank VTB worth \$888 million, according to the report. The fund has investments in several other state companies, including energy major Gazprom, oil giant Rosneft and oil transport monopoly Transneft, as well as a stake in independent oil producer LUKoil.

"If the oil fund's investments become affected by economic sanctions against Russia that Norway supports [the fund] will need to make the necessary adjustments to accommodate the new situation," a Norwegian Finance Ministry spokesman told Bloomberg.

The fund has already taken a hit in Russia this year, losing 9.7 percent on its investments in Russian government bonds in the first quarter due to earlier sanctions meted out by the West over Russia's annexation of the Crimean peninsula and alleged support for separatists rebels in Ukraine's war-torn east.

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