

Russian Corporate Default Fears So Far Overblown – Report

By [The Moscow Times](#)

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Russia's economy falters under a falling oil price, Western sanctions on Moscow over Ukraine and a currency crisis.

Russian companies have defaulted on 6 billion rubles (\$98 million) worth of debt payments over the last seven months, according to a report Thursday by the RBC news website.

Despite fears of a spate of corporate defaults as Russia's economy falters under a falling oil price, Western sanctions on Moscow over Ukraine and a currency crisis, the figure is far lower than during a seven month period in the economic shock of 2008-09, RBC said citing data from the Cbonds industry website.

In the seven months after Oct. 1, 2008, Russian companies defaulted on 77.1 billion rubles worth of bonds, with the biggest default worth 9.1 billion rubles, according to RBC.

The quantity of defaults is lower now than in 2008 and 2009 because the structure of the debt

market is different and the threshold for issuing debt higher than six years ago, analysts cited by RBC said.

"Before the crisis the banks, traditionally more reliable issuers, were the main issuers, there were not very many companies from the non-financial sector," the report quoted Dmitry Dudkin, a fixed income analyst at UralSib Capital in Moscow, as saying.

The total cost of defaults from the last seven months is largely made up from the 3 billion ruble default of air company UTair and the 2.3 billion ruble default of developer SU-155, RBC reported.

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