
KAZAKHSTAN MAY MERGE OIL, PENSION FUNDS: PRESIDENT

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Kazakhstan may merge its \$23 billion state pension fund with the \$57 billion oil fund in order to streamline their management, President Nursultan Nazarbayev said on Monday.

President Nursultan Nazarbayev of Kazakhstan (R) arrives at the Hangzhou Exhibition Center to participate to G20 Summit, in Hangzhou, Zhejiang province, China, September 4, 2016. REUTERS/Etienne Oliveau/Pool

The oil-rich Central Asian nation hires foreigners to manage most of its oil fund assets and the addition of the pension fund could create more opportunities to expand.

Norway has good experience, they have merged their pension fund with their national (oil) fund, similar to the one we have, Nazarbayev said on state television.

Maybe we too will go that way.

The state pension fund suffered a credibility crisis this year when its former chief executive Ruslan Yerdenayev and other managers were charged with embezzlement over a purchase of bonds issued by a local company in exchange for bribes.

The trial started last month. Lawyers have told Kazakh media the executives - who have been sacked by the fund - have denied the charges against them.

The oil fund, officially known as the National fund, also came into the spotlight this month when a lawsuit by the central bank exposed the fact that Bank of New York Mellon had frozen about 40 percent of its assets due to a lawsuit against the government.

Kaynak/Source: