

Gazprom to Buy Kyrgyz State Gas Company

By [The Moscow Times](#)

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BISHKEK, Kyrgyzstan — Kyrgyzstan's state-owned natural gas company says it is to be sold to Russia's energy monopoly Gazprom, raising hopes of an end to debilitating energy shortages in the impoverished Central Asian nation.

Kyrgyzgaz general director Turgunbek Kulmurzayev said Friday that the sale of the company to the Russian gas giant would be completed by April 1.

Last week, gas and electricity supplies to thousands of Kyrgyz households were suspended.

The crisis was provoked by a shortage in natural gas deliveries from neighboring Kazakhstan, which had to hold onto its own reserves after failing to receive imports from Uzbekistan.

Kyrgyzstan, a mountainous nation of 5 million on China's western border, also has substantial unpaid debts to Kazakhstan.

Residents in the capital, Bishkek, and nearby towns were hit by days of gas and power shortages just as temperatures dropped to around minus 20 Celsius. Failure in gas deliveries pushes people into using more electricity for heating, which in turn leads to blackouts.

The inability of former President Kurmanbek Bakiyev to fulfill basic energy needs led to his violent overthrow in 2010.

The sale of a major national asset to a company owned by a foreign government is likely to raise concerns. Russia has made similar efforts to gain control over important energy infrastructure in other former Soviet republics, such as Ukraine and Belarus.

Kyrgyzgaz's Kulmurzayev traveled to Moscow this week to hold a new round of talks with Gazprom, which offered to buy up the entire company. Kyrgyzgaz is currently 87 percent owned by the state. Another 4.5 percent is held by social investment funds, with the remainder belonging to private investors.

"The Russians now want to buy the entire stock, even from private shareholders," Kulmurzayev said in Bishkek.

Kulmurzayev gave no figure for the sale, but the sum is expected to be nominal due to the company's outstanding debts of around \$31 million. He added that Gazprom officials said they plan to invest \$650 million over five years on modernizing Kyrgyzstan's gas pipeline network.

"The price for fuel will be substantially cheaper than what is paid to Kazakhstan — \$224 per thousand cubic meters — or Uzbekistan — \$290 per thousand cubic meters," Kulmurzayev said. "We hope Gazprom will solve the fuel delivery problem in 2013."

Kyrgyzstan also expects Gazprom to begin exploration for new gas fields.

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