

MTS to Pull Out of Uzbekistan Next Month

By [The Moscow Times](#)

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Telecom operator MTS is looking to pull out of Uzbekistan next month, co-owner Vladimir Yevtushenkov said.

The company, which has run afoul of the Central Asian country's government, still has staff and equipment in Uzbekistan, he said in an interview on Vesti FM radio Tuesday.

MTS has already written off most of its assets in Uzbekistan and is now likely to dissolve a \$500 million fund it created for potential lawsuits in the country, investment firm InvestCafe said.

Uzbekistan accounted for 3.6 percent of MTS's revenues in 2011.

MTS will probably substitute the loss by growing its business elsewhere, including the resumption of its services in Turkmenistan, said InvestCafe analyst Ilya Rachenkov.

Also, by pulling out of Uzbekistan, MTS will reduce its capital expenditures. The country accounted for about 5 percent of MTS's total spending on that count, Rachenkov said.

The pullout might not mean an end to the Uzbekistan story for MTS, he said. The company could attempt to recoup its losses, possibly by taking the matter to an international court, he said.

MTS has also not ruled out returning to the market in the future the way it did in Turkmenistan, Rachenkov said.

As MTS is leaving, its rival VimpelCom is ramping up business in Uzbekistan, reporting a 67 percent growth in revenue last year.

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