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Kazakh Firm Seeks $400M From Kyrgyzstan

By The Moscow Times

April 03, 2013

Kazakh company Visor Holding said it had filed for arbitration of a $400 million claim against the government of Kyrgyzstan, alleging illegal expropriation of a license to develop Jerooy, the second-largest Kyrgyz gold deposit.

The claim comes as the new coalition government prepares to put Jerooy up for sale, and it may dampen the new coalition government's hopes for the auction to kick off interest by wary foreign investors in the country, in which violent revolts have deposed two presidents since 2005.

"This $400 million claim is sheer blackmail," said Ilimbai Chunuyev, head of Kyrgyzstan's state geology agency.

"Our lawyers will keep up working, and the tender will be held. There is this arbitration request, but the serious companies planning to submit bids are aware of this."

(Reuters)

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