

# Putin Ratifies Purchase of Kyrgyz Gas Company for \$1

By [The Moscow Times](#)

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President Vladimir Putin signed a law Tuesday to ratify a deal with Kyrgyzstan to buy the former Soviet republic's debt-ridden natural gas monopoly for \$1.

Kyrgyzstan's parliament approved the deal in December to hand Moscow control over strategic asset in exchange for a guaranteed supply of natural gas.

Under the agreement, Russian energy giant Gazprom will gain control over pipelines, gas distribution stations and underground storage facilities owned by Kyrgyzgaz.

Kyrgyzstan will also have a right to buy back Kyrgyzgaz assets in 25 years.

Gazprom has committed to invest 20 billion rubles (\$610 million) in modernizing the Kyrgyz company's infrastructure over the next five years.

Deputy Russian Energy Minister Anatoly Yanovsky said last month that Russian investment

could reach 30 billion rubles (\$847 million).

Gazprom will also take over more than \$40 million in debt. Kyrgyzstan has suffered increasing difficulties in maintaining gas supplies because of rising debts to neighboring Kazakhstan and Uzbekistan.

Kyrgyzstan has been racked by political upheavals in the past decade and two presidents have been overthrown by popular revolts in the impoverished republic.

The strategically important nation, which borders China, hosts both a Russian and an US military base. The Kyrgyz parliament told the US military to vacate its air base by July.

Russia recently agreed a 15-year extension to the lease on its military base as part of a package of measures that included writing off \$500 million in Kyrgyz debt.

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