

South Korea, Uzbekistan Sign Deals Totaling US\$4.1 Billion
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TASHKENT, Uzbekistan, Aug 24 (Bernama) -- South Korea signed a US\$4.1 billion package of deals on Tuesday to develop a massive gas field and build a related plant in Uzbekistan after President Lee Myung-bak held summit talks with his Uzbek counterpart.

The project to develop the Surgil gas field near the Aral Sea and build a gas and chemicals plant is the largest-ever contract between South Korea and Uzbekistan since they established diplomatic relations in 1992, South Korea's Yonhap news agency quoted officials as saying.

During summit talks, Lee and Uzbek President Islam Karimov pledged to work together closely on the project, sharing an understanding that its success would have positive effects on further expanding cooperation between the two countries, officials said.

Lee arrived in Tashkent earlier in the day for a two-day visit as part of a three-nation tour of Central Asia focused in large part on boosting economic relations with the resources-rich nations.

He earlier visited Mongolia and plans to head to Kazakhstan on Wednesday.

The Surgil gas field is believed to be holding an estimated 130 billion cubic metres of natural gas (960 billion tonnes of LNG, or 830 million barrels of oil equivalent).

The project calls for developing the field and building a processing plant, and is expected to cost US\$4.16 billion in total.

Signed on Tuesday were four engineering, procurement and construction (EPC) contracts involving South Korea's GS Engineering & Construction Corp., Samsung Engineering Co., Hyundai Engineering Co. and Uzbekistan's state-run gas corporation UNG, and UZKOR, a 50-50 joint venture set up between the two countries to develop the gas field.

South Korea and Uzbekistan have pursued the Surgil project since Korea Gas Corp. (KOGAS) and UNC signed a memorandum of understanding in 2006.

The two sides have since established the joint venture UZKOR in 2008, in which a Korean consortium led by KOGAS holds a 50 percent stake.

Lee and Karimov attended the signing ceremony held after their summit talks.

Also signed at the ceremony were a memorandum of understanding committing the two countries to close cooperation in the mineral resources and industry sectors, as well as a pact to simplify the visa process for South Korean business professionals.

Karimov said that the Surgil project is one of the largest projects "not only in Uzbekistan, but also in all Central Asia and the CIS (Commonwealth of Independent States) regions" and that such a project would help harden Uzbekistan's "economic and political foundations."

Karimov told a joint news conference that Uzbekistan is willing to expand exports to South

Korea of strategic resources, such as rare earth materials and uranium, and that the country plans to import high-tech facilities from South Korea to modernise its industries.

Lee told the conference that South Korea is committed to mutually beneficial cooperation with Uzbekistan and intends to play an active role in developing and diversifying Uzbek industries.

South Korea and Uzbekistan also sealed about 20 other economic cooperation agreements in health care, medicine, IT, textiles and other industries, officials said.

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