

Russia and Uzbekistan to build a new pipeline branch

The plan to create an oil and gas transport infrastructure bypassing Russia has been unsuccessful so far.

Russia and Uzbekistan agreed to build an additional branch to the Central Asia – Center (CAC) pipeline parallel to CAC-1 and CAC-2. The estimated capacity of CAC-3 is 30 billion cubic meters.

Gazprom agreed earlier to buy Uzbek gas at market prices – a decision that favored the construction of the CAC-3 pipeline. In late August, Gazprom also agreed to purchase gas from Turkmenistan at European-level prices, and a contract with Kazakhstan might be signed in the near future.

The Russian-led policy is a proper choice, all the more so because price growth will not affect the Gazprom financial standing as the whole burden will fall on end consumers. At the same time, purchasing gas at market prices is expected to discourage Central Asian countries from seeking new export routes. This will enable Russia to retain its status as a monopoly on the regional market.

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