

## AND AGRICULTURE

### ■ WHEAT

#### Uzbekistan ignores Gafta ruling

The government of Uzbekistan has failed to pay nearly \$11m it owes to Romak, a Geneva-based international grain trading company, for wheat delivered last year, despite an arbitration award in Romak's favour by the Grain and Feed Trade Association (Gafta) in London.

Representations by Credit Suisse, which provided the export finance, and Swiss diplomats in Tashkent have met with no success. The Uzbek authorities have refused all public comment.

Romak said yesterday that Uzbekistan was flagrantly ignoring its international commitments by refusing to honour the arbitration award, which it is bound to do as a signatory of the 1953 New York convention on international arbitration awards.

Romak's experience was a warning to others, the company said, noting that an international conference on Doing Business in Uzbekistan is being held tomorrow and Friday in London with top officials from the Uzbek government.

The unpaid bill relates to Romak's delivery of about 40,000 tonnes of Kazakh wheat in summer 1996 to a state-owned trading company, Uzdon. The shipment, necessitated by the failure to deliver of a now-bankrupt Uzbek company, Odil, was guaranteed by the Uzbek government.

Uzdon subsequently claimed that Romak's contract was not with Uzdon but with Odil, which foundered after receiving an \$8.1m loan from the Uzbek National Bank to purchase wheat that was never delivered.

Rejecting this argument, Gafta in August awarded Romak \$10.8m in settlement of the contract plus interest for late payment.

*Frances Williams, Geneva*

*Comments and press releases about commodities coverage can be sent by e-mail to [international.companies@ft.com](mailto:international.companies@ft.com)*