

1ya Tverskaya-Yamskaja, 2 \* Moscow \* 103006 \* Russia

BUSINESS INFORMATION DEPARTMENT



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To: Mr. Pletscher  
ROMAK

From:

Fax Phone 8-10-41-66-786-62-24

Fax Phone \_\_\_\_\_

Phone 8-7-095-250-92-81

8-7-095-250-38-69

8-7-095-250-32-47

Fax Phone 8-7-095-250-31-60

**MESSAGE**

**UZBEK CO SUES PRIVATE FIRM OVER DISRUPTIONS IN GRAIN SHIPMENTS**

Tashkent, December 7 (Interfax) - Uzbekistan's Uzdon, a trading subdivision of state-run Uzkhleboprodukt, has filed a suit against Odil, a private company, in response to a decision by the Grain and Feed Trade Association arbitration court in London ordering Uzdon to pay \$11 million to Swiss grain traders Romak for grain shipments.

Uzdon Deputy General Director Viktor Osipov told Interfax that Uzdon had filed a suit seeking \$11 million from Odil with the Tashkent City Arbitration Court.

He said this was one of the steps aimed at executing the decision of the GAFTA court.

As Interfax reported earlier, in 1996 Romak supplied 40,580 tonnes of Kazakh wheat to Uzbekistan under an agreement with Uzdon. Uzbekistan was forced to ask for urgent delivery of this grain due to the disruption in spring 1996 of a contract between Uzkhleboprodukt and Odil, which had received a credit of \$8.1 million from the Uzbek National Bank for Foreign Economic Relations but had not shipped any grain.

Uzkhleboprodukt, Uzdon, Romak and Odil signed a quadrilateral agreement on internal exchanges of shipments. The agreement stipulated that if Odil did not reimburse Uzdon for the grain that was not supplied from the 1996 harvest, Romak would not bear liability for Odil's commitments.

But Uzdon, which did not receive grain from Odil, did not pay Romak for the grain that the latter supplied.

Osipov said that Uzdon "principally disagreed with the GAFTA arbitration court ruling, but does not even have the funds to appeal." Currently the company is "working on the issue of other methods to get money from Odil," he said.

Nevertheless, Osipov accused Romak of "raising an ordinary private transaction to the rank of a state problem." He said the Swiss firm "acting in its own commercial interests, should have enquired about the firm's financial situation before supplying grain for Odil."

Romak meanwhile insists that it is Uzdon, not Odil, that bears responsibility, since it was with Uzdon that a contract was concluded with guarantees from Uzkhleboprodukt, as was proved by the proceedings at the GAFTA court. A representative of Romak said the court case brought by Uzdon against Odil affected only those firms and had no relation to the Swiss company.

Currently Romak is working on several legal options to get payment for the grain shipped to Uzdon, the representative said.