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PRESS RELEASE

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Russia turns off the tap

Transatlantic Institute director Ziba Norman's op-ed piece in the International Herald Tribune ("Russia's Gas Weapon", 21 December 2005) identified the political dimensions of Russian state-controlled energy corporation Gazprom's plans to raise capital to finance expansion into Europe and the US, and to re-establish Russia's sphere of influence — moving the story off the business pages and onto the main news pages of European and American media.

"Russia's Gas Weapon" was picked up by the Russian press almost immediately and translated, resulting in a cascade of debate questioning Russian motives for selective price rises and reliability as a supplier.

Ziba Norman says: "Gazprom's manoeuvres over the last few weeks (and the crescendo reached in Ukraine) are part of a long-term strategy for the company and Putin's plans for Russia herself. The political objectives are clear: re-asserting Russia's pre-eminence in areas in which she was once dominant. But Gazprom's fiendishly well-orchestrated strategy carries within it a fatal flaw. In an attempt to straddle the roles of foreign policy arm of the Russian government and big market player it risks losing both games."

The Transatlantic Institute have been following Gazprom's strategy and parallel political developments in the Kremlin, and are available for interview by request.

Background information:

The Transatlantic Institute is a London-based educational charity (registered charity no. 1108682) founded in 2004 to promote a new kind of dialogue on international issues, free of political partisanship and institutional bias, focusing on topics of common concern to America and Europe.

Website: www.t-i.org.uk

Media enquiries to Ziba Norman, Transatlantic Institute director, tel +44(0)7977 313948, email info@t-i.org.uk

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