

Russia, Hungary agree to set up joint venture to build South Stream gas pipeline

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Russia and Hungary have agreed to set up a joint venture on the principles of parity in order to build a section of the South Stream gas pipeline on the territory of Hungary.

Summing up the results of his talks with Russian First Deputy Prime Minister Dmitry Mendeleev on Monday, Hungarian Prime Minister Ferenc Gyurcsany said, "We succeeded in reaching agreement under which the gas pipeline's section will be built by a joint venture, which will be set up on the principles of parity (50 percent of Russia and 50 percent of Hungary)."

In his words, "Hungary will be represented by a company, which has 100 percent of state ownership."

Mendeleev added, "Russia will be represented by Gazprom."

"The joint venture will be registered on the base of Hungary's law," Gyurcsany said. "We'll seek to make expenses stable during the whole period of its existence." The prime minister said, "The Hungarian government will guarantee that it will carry out its obligations."

Mendeleev said, "We'll create the company on Hungary's law. We'll exert maximum effort to provide most favourable treatment and favourable tax regime to the project."

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