

***Russia may face acquisition restrictions on European assets unless it liberalizes energy market***

VIENNA. APRIL 24. INTERFAX CENTRAL EUROPE - Russia must reckon with the possibility of restrictions on acquisition of European downstream assets by its natural-gas monopolist Gazprom, unless it opens up its market to foreign investment, participants of the Europe-Russia Forum in Vienna said Tuesday.

"It can be a problem if you see a huge company, a company that is a monopoly, use its position as an export monopoly to enter a market that is opening up," Christian Cleutinx, the EU's point man for energy contacts with Russia, told Interfax Central Europe on the sidelines of the conference Tuesday.

"We don't see any problems to have Russian companies, and I'm not talking here about Gazprom, I'm talking about [any] Russian company, entering the European market, provided European companies have the same chance in Russia."

Gazprom, which has been under-investing in exploration and extraction at home, has been snapping up downstream assets in countries such as Belgium, the UK and Hungary, in a bid to become one of the world's largest energy companies. At the same time, however, Russia has squeezed foreign shareholders out of several large projects on its home turf.

Austrian Chancellor Alfred Gusenbauer said Monday Russia should liberalize its energy market in order to maintain good relations with the European Union.

"Reciprocity is equal terms for everyone," Gusenbauer said. "On the one hand to have a liberalized European Union energy market and on the other to have a monopolized energy market is Russia: that's just not going to work. It would only facilitate takeover of the European energy market."

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