

## Medvedev to Talk Gas With Ukraine During Sochi Talks

By The Moscow Times

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President Dmitry Medvedev and his Ukrainian counterpart Viktor Yanukovych will discuss integration among former Soviet states at a meeting Thursday as Ukraine seeks to cut prices on natural gas imports.

The customs union of Russia, Belarus and Kazakhstan is among topics to be discussed at the meeting in Russia's Black Sea resort of Sochi, the Kremlin said in an e-mailed statement Wednesday. The leaders will also discuss energy cooperation, including atomic power, according to the statement.

Talks in June between the Ukrainian and Russian prime ministers ended without an agreement to reduce prices for gas shipments. Ukraine, the largest consumer of Russian gas, may save \$6.5 billion to \$9 billion annually on imports by joining the customs group, Prime Minister Vladimir Putin said in April. Ukraine depends on Russia for more than 50 percent of its gas while providing the main transit route for the fuel from Russia to European Union consumers. Russian gas shipments to Europe were halted for two weeks in 2009 because of a price dispute between the two nations.

Russia is trying to use fuel prices to lure Ukraine into the customs union even as the former Soviet republic looks to deepen economic and political ties with the EU.

Yanukovych said in April that Ukraine won't join the union and will use the "three-plus-one" format to cooperate with it.

Russia agreed in April 2010 to reduce the price it charges Ukraine in exchange for extending the lease on a Black Sea naval base. Ukraine now pays \$355 per 1,000 cubic meters of fuel under the discount.

Yanukovych said May 24 that he wants to cut the price for gas to \$240 per 1,000 cubic meters.

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