

Ukraine Says It'll Sue Over Gas Prices

By The Moscow Times

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Tajik President Emomali Rakhmon, right, gesturing to make a point to Yanukovych on Saturday at the CIS summit. **Andrey Mosienko**

DUSHANBE, Tajikistan — Ukraine will appeal to the International Court if Russia does not offer a better deal on natural gas deliveries, and is not planning to merge its oil and gas firm Naftogaz with Gazprom, Ukraine's president said Saturday.

"We have faced a situation in which Ukraine is losing big money [on Russian gas] ... If Russia does not agree with it [to offer better conditions on gas deliveries], certainly, we will have to go to the International Court," President Viktor Yanukovych told reporters.

"I hope we will have enough wisdom to find a common solution, without the court. I consider the court to be the last resort," Yanukovych said, speaking on the sidelines of the CIS summit in the Tajik capital.

A spokeswoman for President Dmitry Medvedev said the gas deal between Moscow and Kiev has to be realized and cannot be revised in a "sole direction."

"Russia is ready to defend its stance on the agreement in any court authority and will act strictly in accordance with this document," RIA-Novosti quoted Natalya Timakova as saying.

On Friday, a spokesman for Prime Minister Vladimir Putin said a review of Russia's gas contract with Ukraine could only take place with the merger between state-owned Naftogaz and Gazprom.

Asked whether this option was possible, Yanukovych replied, "This issue is not being considered."

Yanukovych also said Ukraine would not accept any pressure during gas talks as it was "humiliating."

"We will not allow [them] to talk to us in such way ... [They] pushed us in the corner, at first, and then started to dictate terms. Today it humiliates not only me, but it humiliates the state, and I cannot allow it," he said.

A day earlier, Ukrainian Prime Minister Mykola Azarov said the energy agreement between Kiev and Moscow should be reviewed after the restructuring of Naftogaz.

Gazprom and Naftogaz signed a gas supply deal in 2009 but Ukraine, a top buyer of Russian gas, said prices were too high. In the third quarter, the price for 1,000 cubic meters of Russian gas was expected to be \$354 compared with \$295 in the preceding quarter.

Azarov said in August that Ukraine should seek to cut imports of Russian gas by two-thirds in the coming years.

Gazprom chief executive Alexei Miller said Friday that the Russian gas export monopoly would merge with Naftogaz.

Ukraine has no plans to merge Naftogaz with Gazprom, Energy and Coal Minister Yury Boyko told the government newspaper Uryadovyi Kurier Thursday, reiterating statements made in July by President Viktor Yanukovych.

Naftogaz will be restructured and divided into several units performing extraction, transportation and deliveries, Yanukovych said July 8.

(Reuters, Bloomberg)

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