

Ukraine Gets Gas Contract Review

By The Moscow Times

September 26, 2011



VTB chairman Andrei Kostin, Putin, IMF director Christine Lagarde and Tigipko appearing at a forum last year. **Sergei Porter**

Russia has agreed to review its gas contract with Ukraine, Ukrainian Prime Minister Mykola Azarov said Monday, after weekend talks between the countries' presidents and senior energy officials.

"We have finally managed to reach an agreement with Russia on reviewing the contract," Azarov said at a meeting with a delegation of the Council of Europe's parliamentary assembly.

The former Soviet republic has been pressing Russia for months to revise a 2009 gas deal, agreed under the previous Ukrainian leadership, which President Viktor Yanukovych's government says saddled the country with an exorbitant price for supplies of Russian gas.

Azarov said Russia had also agreed to establish a consortium with Ukraine and the European Union that would upgrade and manage Ukraine's gas pipeline network, the main route by which Russian gas flows to Europe. Yanukovych flew to Moscow on Sept. 24 to discuss gas issues with Russian President Dmitry Medvedev and Prime Minister Vladimir Putin. Separately, top energy officials of the two countries held talks on Sept. 25.

Both sides have since reported progress in the talks but gave no details. Gazprom said earlier Monday that negotiations would continue this week.

Under the 2009 deal, Ukraine must import not less than 33 billion cubic meters of gas from Russia at a price linked to world oil and oil product prices. Kiev insists on reducing both the price and the volume of imports.

Until now, Moscow had refused to renegotiate the deal, saying it was possible only if Ukraine joined a Russia-led customs union. Ukraine says it has no interest in doing this since it is not compatible with its goal of integration with the European Union.

Original url: https://www.themoscowtimes.com/2011/09/26/ukraine-gets-gas-contract-review-a9768