

Turkey Wants Price Cut to Renew Gazprom Contract

By [The Moscow Times](#)

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Yildiz

ANKARA, Turkey — Turkey may terminate a contract to buy 6 billion cubic meters of natural gas from Gazprom unless it obtains a sufficient price reduction, Energy Minister Taner Yildiz said Thursday.

Turkey has take-or-pay contracts to buy up to 30 bcm of gas annually from Russia but has been buying less. Gazprom says it sold 18 bcm to Turkey last year.

This year, Turkish officials expect to take delivery of more than 75 percent of the contracted amount to avoid take-or-pay penalties. One way to bring down that required amount is to cut contracts.

"There is a 6 bcm contract on the western pipeline that's about to end. We will terminate the contract if we don't see a sufficient price reduction," Yildiz said.

He said Turkey was re-evaluating contracts to make savings after seeing a 39 percent increase in natural gas prices in the past 29 months.

It has pressed Russia for discounts, but the two sides failed to reach an agreement in March when the subject came up during talks in Moscow between Turkish Prime Minister Tayyip Erdogan and President Dmitry Medvedev.

The export arm of Gazprom said Thursday that it was in talks with Botas, the Turkish pipeline operator and gas importer, on supply contracts and that the Turkish Energy Ministry was not involved in negotiations.

"Gazpromexport has not received any information from its Turkish partner, Botas, on its position over prolonging the contract," Gazprom said in e-mailed comments.

A number of Russia's customers have been vying for price cuts from the world's biggest oil and gas exporter. Russia's failure to come to an agreement with Ukraine over gas prices has led to fresh worries of a new gas war, similar to the kind that cut off supplies to Europe in the past.

If Botas does cancel the 6 bcm western pipeline contract, Turkish private sector firms are expected to sign deals for smaller amounts, taking the burden off the Turkish state sector.

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