

# Kiev Gas Deal Reports Remain Unconfirmed

By [The Moscow Times](#)

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KIEV — Russia and Ukraine have yet to finalize a new agreement on the price Ukraine pays for gas, spokesmen for the Russian government and export monopoly Gazprom said Wednesday after a report from Kiev that a deal had been reached.

"It is too early to talk about a final agreement," Gazprom's spokesman Sergei Kupriyanov said by telephone.

"When we have an agreement, we will sign documents. Until the signing of the documents, we can't comment on anything," Prime Minister Vladimir Putin's spokesman Dmitry Peskov said.

Earlier on Wednesday, Interfax, citing a source in the Ukrainian government, said Ukraine and Russia had agreed the new price of Russian gas supplies, which would help Kiev to regain access to a \$15 billion International Monetary Fund program.

Moscow and Kiev have a multi-year agreement on gas supplies, but Kiev requested an early review of prices, eliciting concerns that a conflict over gas prices could prompt a reduction in supply to Ukraine, which handles the bulk of Russian gas transit to Europe.

Such disputes led to supply cuts to European customers in 2006 and 2009. The Interfax report did not name the new price. Ukrainian officials have previously said they expect to conclude gas talks, aimed at significantly reducing the price from the current level of about \$400 per thousand cubic meters, by mid-November.

Analysts have also expected a deal to be reached eventually. "We believe that the negative effect [on Gazprom] from potential price concessions for Ukraine has been broadly priced in by the market," Alfa Bank said Wednesday.

The Kiev government hopes a lower Russian gas price will allow it to cut its budget deficit without raising gas and heating prices for households, something the IMF has insisted should happen.

Disagreement on this issue has stalled talks on restarting a \$15 billion lending program for Ukraine, and it hopes a new deal with Russia will strengthen its hand in talks with the Fund.

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