

Putin Rules Out Trade War With EU

By [The Moscow Times](#)

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President Vladimir Putin on Sunday dismissed any talk of a trade war with the EU over a European Commission competition investigation into state-controlled gas monopoly Gazprom.

"We have very warm, constructive relations. It is not a trade war," Putin told reporters after an Asia-Pacific Economic Cooperation summit in Vladivostok.

The European Union's executive commission opened the inquiry Tuesday into suspicions that Gazprom is hindering the free flow of gas across the EU and mistreating its customers by linking the cost of gas to oil prices.

However, Putin linked the recent investigation to the European debt crisis, blaming some of the European Commission officials for their desire to shift internal problems to Russia.

"Primarily, it [the probe] stems from the tough economic situation in the euro zone as we are talking here mainly about Eastern European countries. The European Union is largely

subsidizing Eastern European economies," Putin said.

"It seems that now someone in the European Commission decided that we should share a part of this burden ... But this approach is not constructive."

Meanwhile, Dmitry Peskov, Putin's spokesman, said Gazprom will not reduce supplies in retaliation for the launch of the investigation.

"There is no talk about retaliation measures. Gazprom has in the course of many decades proven its reliability as a natural gas supplier and is in fact a guarantor of the energy security in Europe," he said.

"Any statements to the contrary are illogical and not true," he said.

He added that the link to the price of oil was "a foundation of the natural gas pricing formula" and could not be abandoned because of the lack of an alternative.

Gazprom's pricing disputes with neighboring Ukraine led to supply cuts to European customers in the winter of 2006 and 2009.

Gazprom supplies over a quarter of Europe's gas consumption, and several EU states rely on it for most of their needs and are locked into long-term contracts, in some cases of up to 30 years.

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