

Gazprom's Contract With Moldova to Be Extended

By [The Moscow Times](#)

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Gazprom's contract to supply gas to Moldova will be extended for another year, Moldovan Prime Minister Vlad Filat said, Interfax reported.

"Moldova does not have the time or opportunity to sign a new contract before the end of 2012," Filat said. "So an extension of the current old contract has been agreed."

He said Moldova should seek more favorable terms.

"If one puts it on the scales, what is better — to conclude a contract on disadvantageous terms or to extend the old contract?" Filat said. "It's better to extend the old one and simultaneously hold negotiations and get the terms we want. Or arrive at a compromise."

The new contract should solve the problem of natural gas utility Moldovagaz' debt to Gazprom and allow it to develop and attract investment, Filat said.

Moldovagaz's debt to Gazprom, including penalties, amounts to \$500 million, while Transdnistria's debt to the gas giant totals about \$3.5 billion.

Gazprom's contract negotiations with Moldova have been thwarted by the country's introduction of the EU's Third Energy Package. The gas giant has urged Moldova not to enforce the regulations, which would require it to dispose of either transportation or sales units.

The European Commission has authorized Moldova to postpone the package's introduction to 2020 from 2017.

In October Moldovan Economy Minister Valeriu Lazar said that his country should not rush to sign a new contract with Gazprom.

Gazprom sells gas to Moldova at \$380 per thousand cubic meters.

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