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Polish Minister Fired Over Gazprom Deal

By The Moscow Times

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WARSAW — Poland's prime minister fired his treasury minister on Friday for failing to supervise the country's gas monopoly, PGNiG, and its dealings with Russia's Gazprom.

The government was embarrassed earlier this month after premier Donald Tusk and Treasury Minister Mikolaj Budzanowski learned from media reports that a company controlled by PGNiG and Gazprom signed a memorandum to build a second segment of the Yamal-Europe gas pipeline via Poland.

Energy issues related to Russia are a hot political topic in Poland, which is seeking to reduce reliance on oil and gas from its eastern neighbor and former communist era master. Russia accounts for 90 percent of Poland's oil imports and more than half of its gas.

The Polish government also fears that the new leg of the Yamal pipeline would allow Russia to shut down another pipeline through Ukraine, Poland's ally which it hopes will join it one day as a European Union member.

Ukraine has often clashed with Russia over the price it pays for gas imports.

Polish government opponents said the pipeline deal disclosure was fresh evidence of Budzanowski's inability to monitor state companies after state airline LOT warned of a massive loss and received a state rescue in November.

Tusk criticized Budzanowski for failing to monitor PGNiG properly and said he expected further consequences.

"In my view, the oversight function was not fully implemented," Tusk told a news conference.

"I will await fast actions from the new treasury minister with regards to PGNiG, including personal consequences that should come first," he said.

Analysts speculated this could mean the dismissal of PGNiG Chief Executive Grazyna Piotrowska-Oliwa, Budzanowski's close ally.

PGNiG declined to comment.

Gazprom has long been in talks with European countries about an expansion of the Yamal-Europe pipeline, which runs through Belarus and Poland to Germany.

Deputy Administration and Digitization Minister Wlodzimierz Karpinski will replace Budzanowski, who had held his post since November 2011, Tusk said.

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