

Gazprom Halts Ukraine Transit Payments

By [The Moscow Times](#)

July 09, 2013

The  Moscow Times

Gazprom's decision to halt prepayment of natural gas transit fees to Ukrainian state-owned Naftogaz until at least 2015 creates the potential for modest supply disruptions in Southeast Europe this winter due to low levels of gas in Ukraine's storage facilities, Fitch Ratings said in a statement Tuesday.

Gazprom's prepayments are critical for Naftogaz, which relies on gas transit revenues and support from the Ukrainian government to offset losses on domestic gas sales.

Gazprom said Naftogaz needed to add a further 12 billion cubic meters of gas to its current 7.5 bcm reserves to ensure that Ukraine had enough for the winter and that it would not need to use gas passing through the pipeline to Europe. At current prices to Ukraine, this would cost about \$4.8 billion, which Naftogaz cannot afford on its own.

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