

Ukraine Halts Russian Gas Imports

By The Moscow Times

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Ukraine halted Russian gas imports last Friday in a dispute over pricing, sources in Russia's gas industry and state export monopoly Gazprom told Reuters on Monday, but the flow to Europe via Ukraine is so far unaffected.

The gas imports to Ukraine stopped weeks before Kiev was due to sign a free trade agreement with the European Union, a move that has angered Moscow.

"There have been no supplies to Naftogaz since Friday," an industry source said, referring to the Ukrainian state energy company that buys Russian gas.

A source in Ukraine's gas industry also said that the gas pipeline operator Ukrtransgaz had ordered Naftogaz to stop purchases of Russian gas Friday.

Russia supplies about half of its gas to Europe through Ukraine.

However, an official at Gazprom said transit flows of Russian gas to European clients via

Ukraine were continuing unaffected. "All requests for exports are being fulfilled," he said.

Both Gazprom and Naftogaz declined to comment on the halt of Russian gas flows to Ukraine.

Ukraine, which pays about \$400 per 1,000 cubic meters of Russian gas, one of the highest prices in Europe, has asked Moscow to ease terms it considers to be excessive and unaffordable for its debt-strapped economy.

Kiev has been steadily reducing Russian gas intake.

Last month, Gazprom raised the stakes in the standoff, saying Ukraine had failed to pay for August deliveries in full.

The dispute has raised concerns of a new "gas war" over prices between the neighbors, similar to those in the winters of 2006 and 2009, which caused supplies to be disrupted to Ukraine and the rest of Europe.

Kiev has been trying to reduce its dependence on energy supplies from Russia by fostering closer relations with Europe.

The agreements with the EU on association and free trade, expected to be signed at a summit Nov. 28, offer the former Soviet republic of 46 million people the chance of a historic shift west away from Russia.

Kremlin spokesman Dmitry Peskov told reporters Monday that President Vladimir Putin and his Ukrainian counterpart Viktor Yanukovych had met in Moscow over the weekend.

"They held talks, comprehensively discussed trade and economic relations of Ukraine and Russia," Peskov said, without elaborating.

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