The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Kremlin Says Ukraine Gas Deals Safe — If Kiev Pays

By The Moscow Times

February 06, 2014



Russia has signaled that it could toughen demands for gas payments from Ukraine if Kiev fails to fulfill existing agreements, increasing pressure on an ex-Soviet neighbor gripped by an economic and political crisis.

Moscow is concerned about Ukraine's growing debt for gas but will not review deals as long as Kiev meets its obligations, President Vladimir Putin's spokesman, Dmitry Peskov, said on Kommersant-FM radio late Wednesday.

"Of course we are concerned by the growing debt for gas supplies ... but we hope that our Ukrainian partners will stick to all the clauses of the current agreement," Peskov said.

Ukrainian energy firm Naftogas said this week that nonpayments by its clients mean it may fail to pay Russian gas export monopoly Gazprom on time for imports, a bill the Kremlin-controlled company says has risen to $3.3 billion.

"Gazprom has already announced that the debt is growing and growing very swiftly, and this causes concern," Peskov said.

"There are contracts ... that clearly state the price of gas supplies, how it is paid and when. And so if the case of elementary fulfillment of the existing document, there is no reason and will be no reason to review anything."

He gave no details. A clause in a 2009 gas contract allows for Gazprom to seek prepayment for gas supplies, and if invoked could increase the risk of a Ukrainian default.

On Monday, Vedomosti cited a Gazprom source as saying that the company may ask Ukraine to prepay for gas imports but that no decision had been made yet.

Putin agreed in December to lend Ukraine $15 billion and cut gas prices, throwing it a lifeline in what the West and opponents of President Viktor Yanukovych regard as a reward for scrapping plans to sign political and trade deals with the European Union and promising to improve ties with Russia.

But Moscow has mixed promises of support with pressure on Kiev. After Ukrainian Prime Minister Mykola Azarov resigned last week in an attempt to defuse sustained anti-government protests, Putin said Russia would wait until Ukraine forms a new government before fully implementing the bailout deal.

Peskov repeated Putin's promises to help Ukraine. "Russia needs to do what it is doing: give aid to its brotherly country no matter what ... and in no way interfere in its internal affairs."

Asked if Ukraine, where pro-European and pro-Russian sentiment roughly follows a geographical east-west divide, could split in half, he said: "We would like to believe not."

Peskov went on: "The preservation of Ukraine's territorial and political integrity is in our interests. We want to see a single, thriving Ukraine."

Original url:
https://www.themoscowtimes.com/2014/02/06/kremlin-says-ukraine-gas-deals-safe-if-kiev-pays-a31805