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Gas Security, South Stream, PhosAgro: Business in Brief

By The Moscow Times

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EU Open to Gas Security Talks

BRUSSELS — The European Union is willing to hold talks with Russia and Ukraine on gas security, it said in reply to a letter from President Vladimir Putin in which he warned of gas supply disruption.

"We believe that this approach allows for the most useful process with the Russian Federation and other third parties," European Commission President Jose Manuel Barroso said in his reply to Putin, released by the European Commission on Thursday.

Putin warned EU leaders a week ago that Russia would cut natural gas supplies to Ukraine if it did not pay its bills and said this could lead to a reduction of onward deliveries to Europe. *(Reuters)*

Bulgaria Supportive of South Stream Pipeline

SOFIA, Bulgaria— Russia's South Stream pipeline project must not be blocked for political reasons and Bulgaria plans to start construction this year despite the standoff between the West and Moscow over Ukraine, Bulgaria's energy minister said on Thursday.

The future of the 2,400-kilometer pipeline from Russia via the Black Sea to southern Europe, avoiding Ukraine, has been cast into doubt since Russia's annexation of Ukraine's Crimea region.

Bulgaria, which meets almost all of its gas needs with imports from Russia's Gazprom via only one route through Ukraine, would be a major beneficiary of the pipeline. *(Reuters)*

PhosAgro 2013 Net Profit Down On Low Prices

The world's second-largest phosphate fertilizer producer PhosAgro said Thursday its 2013 net profit fell by 65 percent year-on-year to $269 million due to low prices in spite of an increase in sales volumes, the company said in a statement.

Its revenue declined by 1 percent to $3.3 billion, while earnings before interest, tax, depreciation and amortization, or EBITDA, fell by 31 percent to $752 million.

Sales of phosphate-based fertilizers rose last year by 10 percent to 4.6 million metric tons and nitrogen-based fertilizers by 15 percent to 1.3 million metric tons.

The price of diammonium phosphate fertilizer, a key PhosAgro product, dropped in the same period by 23 percent to $343 per metric ton, the statement said. *(MT)*

Oilfield Services Firm EDC Reports 12% Drop in Q1 Revenue

Russia's biggest oil field services company Eurasia Drilling Co., or EDC, reported a 12-percent fall in first-quarter revenues Thursday on a weaker ruble and changes in its clients.

Eurasia Drilling has reduced its cooperation with Russia's top oil producer Rosneft, which plans to develop its own drilling services.

It said Rosneft's share of EDC's total meters drilled fell to 15 percent from 20 percent a year earlier. Total drilling output was down 12 percent to 1.2 million meters.

EDC accounts for 29 percent of the total number of meters drilled in Russia and its largest clients are Lukoil and Rosneft. It said its total market share in Russia was stable last year. *(Reuters)*

Ukraine Tells Aeroflot It Will Impose Restrictions on Male Russian Passengers

Aeroflot on Thursday said Ukraine has informed the Russian airline it will impose tight restrictions on the entry of Russian men into the country, where pro-Russian separatist rebellions have broken out.

"Aeroflot is informing passengers about strict restrictions imposed by the Ukrainian

authorities on entry into the country," the company said in a statement. It indicated that men between the ages of 16 and 60 would be denied entry unless they had proof of a reason to visit, such as family ties or an invitation from a business or individual, or were traveling with their families. *(Reuters)*

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