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INDEPENDENT NEWS FROM RUSSIA

Gazprom, Rosneft, BP: Business in Brief

By The Moscow Times

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Ukraine Ready to Pay Gazprom Lower Price

Ukraine is ready to pay Russia's Gazprom $268 per 1,000 cubic meters of gas and would quickly pay off its $2.2. billion debt if the state-controlled company agreed, Prime Minister Arseniy Yatsenyuk said Monday.

Yatsenyuk told a briefing that the government and Ukraine's state gas company Naftogaz had started procedures to take Gazprom to an arbitration tribunal in Stockholm over inflated gas prices and that the Russian side had 30 days to respond to Kiev's proposals.

"If within 30 days no agreement is reached ... we will turn to the court to resolve the dispute with Russian monopoly Gazprom," he said. *(Reuters)*

BP to Keep Rosneft Investments

British oil major BP said it intends to remain a long-term investor in Russia's Rosneft following a decision by the U.S. government to impose sanctions against the head of the Russian energy company.

"We are committed to our investment in Rosneft, and we intend to remain a successful, long-term investor in Russia," a BP spokesman said.

He added the company, which holds a 19.75 percent stake in Rosneft, is now considering what the U.S. sanctions announcement means for BP's business.

The U.S. on Monday slapped sanctions on seven Russian government officials and 17 companies linked to President Vladimir Putin in a fresh attempt to force Moscow to back down from its intervention in Ukraine. *(Reuters)*

Slovakia and Ukraine Sign Gas Deal

Slovakia and Ukraine signed a deal on Monday that allows the European Union to send a limited amount of gas to Ukraine, although providing Kiev with less supplies than it hoped to cushion the blow should Russia turn off the taps.

Under the deal, Slovakia will make technical adjustments to an old unused pipeline to ship about 8 billion cubic meters, or bcm, of gas starting in the fall. A fallback option would see smaller volumes initially before ramping up to 8 bcm by April, European Commission officials said.

Ukraine — which consumes about 55 bcm annually — has been pushing for another technical solution allowing larger volumes, but Slovakia has resisted because it fears doing so would violate its contracts with Gazprom. *(Reuters)*

Putin Stays Strong on Defense Industry

PETROZAVODSK — President Vladimir Putin said Monday that Russia would be able to replace any defense industry imports lost due to the Ukraine crisis with its own products.

U.S. President Barack Obama said on Monday that Washington would target some high tech exports to Russia as part of new sanctions over the crisis in Ukraine, where the West says Russia is fomenting separatist unrest.

Russia is the world's second largest arms exporter and its defense industry has close ties with that of neighboring fellow former Soviet republic Ukraine.

Putin told lawmakers he believed the motive behind any Western sanctions targeting the Russian defense sector was to undermine Russia's efforts to compensate for a reduction in imports from Ukraine. *(Reuters)*

Retailer X5's Earnings Up 25% in Q1

X5 Retail Group, Russia's second-biggest food retailer, said on Monday its first-quarter net income rose 25 percent, year-on-year, to 2.5 billion rubles ($69.4 million).

Revenue increased 14 percent to 144.2 billion rubles, X5 said in a statement. It said it had changed its presentation currency from the dollar to the ruble in order to eliminate the effect of exchange rate volatility. *(Reuters)*