

Ukraine's Naftogaz Plays Down EU Optimism on Russian Gas Talks

By [The Moscow Times](#)

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Gazprom Chief Executive Alexei Miller (C) listens to Ukrainian Energy Minister Yuri Prodan (not pictured) speak during a news conference after EU-Ukraine-Russia energy negotiations at the EU commission representation in Berlin, Germany.

KIEV — Ukraine's state gas company Naftogaz said Tuesday no real progress was made with Russia's Gazprom over its gas debt or on price in talks in Berlin aimed at settling a dispute that threatens to disrupt gas flows to western Europe.

The statement seemed at odds with the EU's energy commissioner, who said Ukraine and Russia had made progress on price on Monday and his proposal for Ukraine to pay \$2 billion of its debts by Thursday could pave the way for talks on Friday.

Speaking after three-way talks with Russia's and Ukraine's energy ministers in Berlin, Guenther Oettinger said the two governments would study his proposal that Ukraine pay Russia \$2 billion by Thursday and a further \$500 million by June 7.

But Naftogaz said Russia had stuck to an "unconstructive" position, demanding that Kiev should pay all its bills, including ones that the gas company considers to be debatable.

"Naftogaz ... regrets the lack of real progress in negotiations with Gazprom," it said in a statement.

Naftogaz said it was ready to pay bills if "a civilized compromise" was found to ensure gas flows to Ukraine.

Ukrainian Energy Minister Yuri Prodan said on Monday there was no final agreement after the Berlin talks and he would not confirm that Ukraine had agreed to pay \$2 billion on Thursday. He said the two sides have until Wednesday night to decide.

Ukraine wants to change the conditions of a 2009 contract that locked Kiev into buying a set volume of gas, whether it needs it or not, at \$485 per 1,000 cubic meters — the highest price paid by any client in Europe.

Moscow dropped the price to \$268.50 after then-President Viktor Yanukovich turned his back on a trade and association agreement with the European Union last year, but reinstated the original price after he was ousted in February.

Ukraine insists on a price of \$268.50 per 1,000 cubic meters while Russia stands by its demand for \$485. Oettinger is trying to get the two sides to agree in the middle.

Gazprom CEO Alexei Miller told Rossiya-24 television late on Monday the company was ready to provide a discount on the gas price for Ukraine but only after Kiev paid at least part of its debt.

Moscow says Ukraine's total gas debt stands at \$3.5 billion and will switch to pre-payment for June, promising to deliver as much gas as it was paid for. Russian Energy Minister Alexander Novak said last week Ukraine had yet to pay.

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