

EU Says Russia Must Offer Fair Gas Price, Ukraine Must Pay

By The Moscow Times

May 30, 2014



EU energy commissioner Guenther Oettinger talks to the media after EU-Ukraine-Russia energy negotiations at the EU commission representation in Berlin earlier this week.

BERLIN — Ukraine must make a down-payment to Russia for gas and in return Moscow must offer a fair price for further deliveries, Europe's Energy Commissioner Guenther Oettinger said ahead of talks with the Russian and Ukrainian energy ministers in Berlin Friday.

Oettinger is acting as mediator in the talks, which on Monday saw the two governments agree to study his proposal that Ukraine pay Russia \$2 billion by Thursday and a further \$500 million by June 7.

The commissioner told German radio station Deutschlandfunk it was now clear how much gas Russia delivered to Ukraine between November and the end of May.

"The price for the months of January, February, and also now, is disputed so Ukraine has

to explain today that it will make or has already made a first payment, a significant amount, a high three-digit million amount in dollars," he said.

"[That is] so that it's clear it is prepared to accept payment obligations; those who get gas must pay," he added.

Oettinger said the price of \$485 per 1,000 cubic meters of gas that Russia is demanding was "unacceptable", not in line with market conditions and determined by politics. Ukraine insists on a price of \$268.50 per 1,000 cubic meters.

In return for Ukraine making a down-payment, Russia has to give the former Soviet republic a fair price in line with the amount paid by other European countries, he said.

"After Ukraine has made a down-payment, we should expect Russia to guarantee a fair offer, a fair price in future."

In the medium-term the EU would be affected by Russia stopping delivery to Ukraine, Oettinger said. Russia supplies around a third of Europe's gas demand and about half of its gas imports from Russia flow through Ukraine.

Original url:

https://www.themoscowtimes.com/2014/05/30/eu-says-russia-must-offer-fair-gas-price-ukraine-must-pay-a35998