

Ukraine Insists on Bigger Gas Price Cut From Russia

By [The Moscow Times](#)

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Ukraine's Prime Minister Arseny Yatseniuk speaks at a media briefing before talks with German Chancellor Angela Merkel (not pictured) at the Chancellery in Berlin, Germany.

KIEV — Ukraine said Wednesday it had rejected a Russian proposal that would reduce the price it pays Moscow for natural gas by more than 20 percent and ruled out paying its gas debts until a pricing deal is reached.

Remarks by the prime minister and energy minister made clear Kiev was not changing its stance at talks with Moscow, despite the threat of Russia cutting supplies to Ukraine if no deal is reached — a scenario that could disrupt deliveries to Europe.

The dispute is at the heart of a crisis between Moscow and Kiev, and failing to resolve it would set back peace moves after weeks of violence in eastern Ukraine, where separatists are demanding unification with Russia.

Briefing his cabinet, Prime Minister Arseniy Yatsenyuk said Ukraine was holding out for changes in state gas company Naftogaz's contract with Russian exporter Gazprom and demanded to pay the market price for gas.

Russia has floated the idea of scrapping its export duty for gas exports to Ukraine — \$100 per 1,000 cubic meters, introduced after Moscow annexed Crimea — to reduce the price.

"Russia has offered us a gas price cut of \$100," Yatsenyuk said in televised comments. "Our position remains the same: we rewrite the contract and get the market price."

Ukraine wants to change the 2009 contract that locked it 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 customer in Europe.

Russia and Ukraine were due to resume talks in Brussels on Wednesday after eight hours of negotiations, which ended around 3 a.m. (0100 GMT) on Tuesday, failed to overcome differences over pricing.

Asked whether Kiev would pay off the billions of dollars it owes Gazprom, Energy Minister Yuri Prodan told Interfax-Ukraine news agency in Brussels: "No, not until an overall agreement is reached."

Gazprom said it had moved a deadline for Ukraine to start paying in advance for its gas supplies to next Monday, an extension of almost a week.

If supplies are cut to Ukraine, there could be disruptions to deliveries to the European Union. The EU gets about a third of its gas imports from Russia and around half of this is received through pipelines that cross Ukraine.

See also:

[Russia-Ukraine Gas Talks to Resume Despite Overrunning Russia's Deadline](https://www.themoscowtimes.com/2014/06/11/ukraine-insists-on-bigger-gas-price-cut-from-russia-a36369)

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