Ukraine Sanctions on Russia Would Disrupt Europe's Gas Import Deals

By [The Moscow Times](#)

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Ukrainian Prime Minister Arseny Yatsenyuk said on Friday that "all types of transit" could be hit by his country's sanctions against Russia.

Ukraine said European companies would have to agree on a major revision of gas contracts with Russia if Kiev slaps sanctions on Moscow and Gazprom, a measure that may lead to disruption in gas transit to Europe.

Ukraine Prime Minister Arseny Yatsenyuk said last week that parliament would debate sanctions against Russia on Tuesday, which could include bans on Russian gas and sanctions against Russian banks.

Ukraine gas grid Naftogaz said Monday that the sanctions could limit or even exclude some companies from piping gas through the country, which would allow other companies to take over transit operations. The statement did not mention Gazprom or Russia.

"The main idea is that transit could continue with no problems if this gas is bought at our eastern border by, let's say, European companies," a Naftogaz spokeswoman said.

European companies currently buy gas from Russia on the western border between the European Union and Ukraine. Russia supplies about a third of European gas needs, and the transit route for roughly half of that amount is through Ukraine.

Gazprom, the only company that currently pumps Russian gas to Europe through Ukraine, did not reply to a request for comment.

The proposed sanctions, if agreed, could lead to a major revision of gas contracts between Gazprom and its European partners. Gazprom had already had disputes with a number of its Western partners over its pricing policies, which have cost it billions of rubles.

Previous pricing and contract disputes between Moscow and Kiev have led to severe cuts in Russian gas flows to the European Union.

Promise of Smooth Transit

Russia halted gas supplies to Ukraine in June due to disagreements over pricing, but Russian gas transit through Ukraine to Europe has been unaffected so far.

In July, Ukraine imported gas from Poland and Hungary, but the volumes amounted to about a tenth of its imports a year ago.

Naftogaz said it would continue uninterrupted pumping of Russian gas exports to Europe through its territory even if Ukraine imposes its own sanctions on Russia.

"Naftogaz affirms its readiness to continue smooth transit of natural gas to European consumers," chief executive Andriy Kobolev said in a statement.

Prices of long–term gas contracts in Germany and central Europe eased on Monday after Kobolev's comments.

Apart from Ukraine, Russian gas to Europe is shipped via Belarus and via the Baltic Sea pipeline Nord Stream. Norway's Statoil already acknowledged it could boost supplies in Europe but cannot fully substitute for Russian gas.

See also:

[Ukraine Imports Gas From Europe After Russian Cutoff, Volumes Plummet](#)

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