

Ukrainian Sanctions on Russia Would Not 'Automatically' Hit Gazprom

By The Moscow Times

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KIEV — Ukrainian state-owned gas company Naftogaz said proposed Ukrainian sanctions against Russia would not necessarily target Russian gas monopoly Gazprom.

Ukrainian Prime Minister Arseny Yatsenyuk said last week that sanctions could be imposed against 172 citizens of Russia and other countries and against 65 Russian companies, including Gazprom, for Moscow's support of separatists in eastern Ukraine.

"The adoption of the sanctions law will not lead automatically to sanctions against any entity, including Gazprom. The law simply establishes the legal right to implement them," Naftogaz said in a statement Wednesday.

Ukraine's parliament backed the first reading of the sanctions bill on Tuesday and scheduled a second reading on Thursday.

Russia is Europe's biggest supplier of gas, meeting almost a third of the region's demand, around half of which Gazprom pumps to European clients via Ukraine. European utility companies are worried that Ukrainian sanctions could disrupt supplies during the coming winter.

Naftogaz repeated a recommendation that European firms buy their gas at the eastern border with Russia, rather than at the western border once it has transited Ukraine.

"By handing over its gas to customers on the [Russian] border with Ukraine, Gazprom will lose the ability to threaten Europeans with gas supply cuts due to unfounded allegations that Ukraine is siphoning off gas," it said.

Russian gas flows to Ukraine have been halted three times over the past decade by contract and pricing disputes between Moscow and Kiev, affecting supplies to the European Union.

Russia halted gas supplies destined for Ukrainian customers in June because of a row over pricing, but Russian gas transit through Ukraine to Europe has been unaffected so far.

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