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Lithuania Presses Ahead With $1.6 Billion Claim Against Russia's Gazprom

By The Moscow Times

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VILNIUS — Lithuania is continuing with international arbitration against Russia's gas giant Gazprom, which sold its assets and pulled out of the Baltic state earlier this year.

Vilnius is seeking about 4.5 billion litas ($1.66 billion) in compensation from Gazprom at Stockholm's international arbitration court, claiming the Russian supplier overcharged Lithuania for gas supplies between 2004 and 2012.

"The Stockholm case is proceeding according to the schedule set by the tribunal. Lithuania will present the final document in late November, while an oral hearing is planned for the next summer," Lithuanian Prime Minister Algirdas Butkevicius told parliament on Thursday.

"Government's claim ... that Gazprom had breached [the] privatization deal and unilaterally raised gas prices still stands," he said.

In May, the Russian company agreed to reduce natural gas prices for Lithuania until end-2015, when an existing long-term supply contract expires.

A month later, Gazprom accepted proposals from Lithuania state-owned firms to sell its stakes in the country's gas utility Lietuvos Dujos and gas transmission operator Amber Grid.

Gazprom is currently the sole supplier of natural gas in Lithuania, but the Baltic state plans to start importing liquefied natural gas (LNG) from 2015, covering about a fifth of total needs.

The Russian company, which supplies a quarter of Europe's gas needs, has also been under investigation by the European Union since September 2012 for suspected anti-competitive behavior, including over-charging customers and blocking rival suppliers.

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