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Ukraine Says Russia Has Resumed Gas Supplies After 6-Month Payment Spat

By The Moscow Times

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A dispatcher monitors the sensors in a dispatcher's room at a gas compressor station in Sumy region, Ukraine.

Russia resumed natural gas flows to Ukraine on Tuesday after halting them six months ago in a dispute over prices and unpaid debts, Ukraine's gas transport monopoly said.

"Ukraine has started receiving Russian gas. The volume of imports is around 43.5 million cubic meters per day," Ukrtransgaz spokesman Maxim Belyavsky said. Supplies will flow via the northern Belarussian pipeline Mozyr and the eastern Sudzha route, he added.

The ex-Soviet republic consumes about 200 million cubic meters on average per day during the winter.

Without Russian gas and short of coal because separatist violence has disrupted domestic coal mining, Ukraine has been forced to introduce widespread power cuts.

Russia had insisted that Ukraine pay upfront for renewed supplies over the winter, under an interim agreement in October.

Cash-strapped Ukraine delayed for as long as possible but after a cold snap that sent temperatures plummeting below freezing, Ukrainian state energy firm Naftogaz transferred a $378 million prepayment to Russia's Gazprom to buy 1 billion cubic meters (bcm) of Russian gas in December.

Ukraine's gas reserves have fallen by more than 20 percent since October to 13.3 bcm as of Dec. 6.

Gazprom confirmed in a statement that gas shipments had resumed to Ukraine from 0700 GMT.

Gas payments to Russia and efforts to support the struggling hryvnia currency have forced Ukraine to draw deeply on foreign currency reserves, which have fallen to a 10-year low.

The depleted state of Central Bank coffers means the International Monetary Fund may need to ramp up an ongoing $17 billion bailout program.

An IMF mission was to visit Kiev on Tuesday to start a fresh round of talks with the new government, which has pledged to introduce a broad range of reforms including to the gas sector, in exchange for international financing

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