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EU Seeks New Ukraine Gas Talks With Russia

By The Moscow Times

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European Commission Vice President Maros Sefcovic

RIGA — EU energy boss Maros Sefcovic has said that the European Union was looking to persuade Moscow to open new gas price negotiations with Ukraine, a step that Russia's energy minister said he was ready to take only if certain conditions were met.

A "winter package" between Kiev and Moscow brokered by the European Commission runs until the end of March.

It saw Russian gas exporter Gazprom resume deliveries to Ukraine in December that had been halted for almost six months in a dispute over prices and payment.

Kiev and the EU, which uses gas shipped via Ukraine, are keen to follow up on the winter deal.

Sefcovic, speaking on the sidelines of a conference in Riga on Europe's energy security, said he had raised the idea of brokering new negotiations in Moscow last month.

"The response I got was: 'What is there to negotiate because after March we will simply come back to the contract?'," he said late last week.

However, he said the Russians were willing to see "what kind of additional elements" there were which might encourage them to open new talks.

"We will see the situation after the end of March. What is the state of play on the Ukrainian side," he said.

Russian Energy Minister Alexander Novak told Rossia-24 television on Friday that Russia is ready to negotiate a new deal with Ukraine provided Kiev pays its unpaid Gazprom bills, a condition that could be tough to meet.

"If the point of this [new] agreement would be the debt redemption then we are most likely to be ready to hold such talks," Novak said.

Russia has put Ukraine's debts at $2.44 billion, including fees. Kiev disagrees with this estimate and says Moscow wants to charge it far too much.

European summer spot gas prices for Ukraine could fall to between $250 and $300 per 1,000 cubic meters, Ukrainian Prime Minister Arseniy Yatsenyuk said on Wednesday.

Ukraine is paying Russia $329 per 1,000 cubic meters currently.

"The price should be much lower. We would expect that Gazprom would adjust the formula to reflect market conditions," Andriy Kobolyev, chief executive of Ukrainian gas company Naftogaz, said.

The energy row is part of wider tensions between Ukraine, Russia and the EU.

On Friday the leaders of Germany and France were taking new proposals to Moscow aimed at ending fighting in eastern Ukraine that has killed more than 5,000 people and driven relations between Russia and the West to post-Cold War lows.

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