The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

EU Set to Host Gas Talks Between Russia and Ukraine

June 24, 2015

Pressure gauges, pipes and valves are pictured at a gas storage facility near Striy, Ukraine.

BERLIN — Talks with Russia on a planned gas package for Ukraine for next winter are set to take place in "coming days", European Commission Vice President Maros Sefcovic said on Wednesday, stressing he wanted the negotiations concluded in one meeting.

Speaking in Germany, he confirmed the cost estimate of $1.5 billion which German minutes seen by Reuters from a meeting of the Council of the European Union had put on the package.

Stopping short of confirming reports from gas supplier Russia that June 26-29 was the date, Sefcovic told Reuters: "We are still finalizing it, but I want to make sure that when we see each other we have a realistic chance to succeed and that the parties are not bringing additional issues to the table."

Ukraine, the transit route for around half the gas Russia pumps to the European Union, has been locked in a pricing dispute with Russia's Gazprom that resulted in a supply cut-off to Kiev last year.

Sefcovic said the $1.5 billion was the sum that Ukraine said it would need to fill gas storage to a secure level of 19 billion cubic meters (bcm) from 11 bcm currently, before the heating season starts.

Ukraine lacks around $1 billion of that sum and needs a bridging loan to be brokered with the International Monetary Fund and the European Bank for Reconstruction and Development, but should seek first to use reserves held in international banks under previously provided assistance, he said.

The EU was also looking at possibilities for European companies to add to gas storage inside Ukraine.

"My ultimate aim is that we will create the same reliable framework for the next winter as we had for the last," he said.

"We need to have an understanding on the discount from the Russian government, on the excise duty, the price, and that the transit to European countries will be secure."

Original url:
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