

Russia-Ukraine Gas Talks Fall Apart with No Agreement on Pricing Plan

By [The Moscow Times](#)

July 01, 2015



An employee passes near valves and pipes at a gas compressor station in the village of Boyarka, Ukraine.

VIENNA — Gas supply talks between Russia and Ukraine fell apart on Tuesday after energy officials were unable to agree on a pricing plan for the next quarter.

Representatives from Moscow, Kiev and the European Commission were meeting in Vienna to discuss gas supplies to Ukraine on the day the current “winter package” deal expires.

"Unfortunately, the Ukrainian side said that the level of discount which was offered by the Russian Federation was not enough," Russian Energy Minister Alexander Novak told reporters.

Russia on Monday proposed to keep gas prices for Ukraine unchanged from the second quarter, at \$247 per 1,000 cubic meters and gas discount at around \$40.

But Novak said the Ukrainian delegation had asked for a discount of at least 30 percent while Russia would not provide a markdown of more than \$40.

Ukrainian state energy firm Naftogaz said it would stop buying gas from Russia from July 1 until new supply conditions were agreed but that transit supplies to Europe would not be affected by the decision.

Europe gets around a third of its gas from Russia and around half of that comes via Ukraine. Relations over the supply route have become increasingly tense since Russia annexed Ukraine's Crimea peninsula in March last year, prompting the European Union to impose sanctions on Russia.

"The Ukrainian side has no reason to suspend gas purchases because the offered price ... is absolutely competitive," Novak was reported as saying by RIA news agency. "It can only be a political (decision)," he said.

Ukraine's Energy and Coal Minister Vladimir Demchishin said Ukraine would buy gas from other sources and that the next round of talks with Russia would be in September.

"We definitely do not want to prolong this until the start of the heating season, we do not plan to drag this out until October," he said.

The European Commission, which has mediated the gas pricing dispute between Moscow and Kiev for more than a year, said it would help prepare further negotiations.

"As the meeting has shown today, the parties are still far apart," European Vice President Maros Sefcovic said in a statement.

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