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Turkmenistan Says Gazprom Has Not Paid for Gas This Year

By The Moscow Times

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ASHGABAT — Turkmenistan, irked by falling natural gas exports to Russia, hit out at Moscow's gas export monopoly Gazprom on Wednesday, saying the energy giant had not paid for gas purchased from the Central Asian country so far this year.

"Since the beginning of 2015, OAO Gazprom has not paid for its debts to state concern Turkmengas for the shipped volumes of Turkmen natural gas," Turkmenistan's Oil and Gas Ministry said in a statement on its official website

It did not say how much Gazprom owed Turkmenistan, nor did it say how much Turkmen gas had been shipped to Russia to date.

"Russian company Gazprom has become insolvent on its natural gas purchase-and-sale

contracts due to the continued global economic crisis and economic sanctions imposed by Western nations on Russia," the ministry's statement said.

Gazprom declined immediate comment.

Turkmenistan, a nation of 5.5 million, holds the world's fourth-largest reserves of natural gas, but lacks gas export routes.

Its criticism is likely to escalate a war of words with Gazprom which flared up at the end of last year after the Russian company announced it would cap its purchase of Turkmen natural gas by 4 billion cubic meters (bcm) this year, way below its imports of around 11 bcm in 2014.

Gazprom says that its progress in natural gas exploration elsewhere has made the purchase of gas from Turkmenistan unprofitable.

Gazprom's target for imports of Turkmen gas this year is a far cry from levels seen in 2008 when it bought more than 40 bcm of the fuel. In 2009-2014, Russia's annual gas imports from Turkmenistan stood at 10-11 bcm.

With insignificant exports to neighboring Iran, a sharp fall in gas exports to Russia leaves Turkmenistan virtually dependent on natural gas exports to China.

China, the world's biggest energy consumer, buys around 30 bcm of Turkmen gas annually and plans to double that volume by 2020.

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