The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Ukraine Upholds Gazprom's $3Bln Fine

July 13, 2016



Ukraine's highest economic court has dismissed Gazprom's appeal against a $3.4 billion fine, the RBC newspaper reported Wednesday.

Ukraine's Antimonopoly Committee (AMCU) fined the energy giant in January for "abuse of its dominant position in the country's gas supply network."

Gazprom subsequently described the Committee's ruling as "an attempt to apply pressure" on the company and launched an appeal with Kiev's economic court in April.

The appeal was dismissed in two courts before moving to Ukraine's highest economic court last month.

Yuri Terentyev, head of the AMKU, claimed that between 2009 and 2015 Gazprom had on multiple occasions broken the terms of its contract with Ukraine's state energy company Naftogaz.

The deal between the two companies had required Gazprom to deliver 100 billion cubic meters

of gas to Europe via Ukraine. The Ukrainian company claims that it had only received 62 billion cubic meters in 2014, causing losses to the sum of $6 billion dollars, RBC reported.

Gazprom's relationship with Ukraine has often been fraught with conflict, with Gazprom cutting off its supply completely for short periods in 2006 and 2009 over pricing and supply disputes.

Naftogaz and Gazprom have been locked in legal battles since 2014, after two lawsuits worth $50 billion were filed against Gazprom in the Stockholm Court of Arbitration. A decision on both cases is expected before the end of the year.

Ukraine has not imported gas from Russia since the end of 2015. Naftogaz announced in April that they would not be renewing contracts with Gazprom, claiming they had found cheaper suppliers in Western Europe.

Russia has halted gas flows to Ukraine three times in the past decade — in 2006, 2009 and for six months in 2014 because of gas price disputes with Kiev. In response in 2015, Ukraine diversified its gas imports and now covers more than 50 percent of its gas needs with reverse flows from Slovakia, Hungary and Poland.

Original url:
https://www.themoscowtimes.com/2016/07/13/ukraine-upholds-gazproms-3bln-fine-a54568