

Russia and Ukraine Strike Preliminary Gas Transit Deal

The two sides have been wrangling for months over an extension to the lucrative contract to ship Russian gas to Europe through Ukraine.

By <u>Reuters</u>

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Danil Shamkin / Zuma / TASS

Russia, Ukraine and the European Commission, after hours-long talks Thursday, agreed in principle on a new gas deal starting after Jan. 1, 2020, European Commission Vice President Maros Sefcovic told a briefing.

Ukraine is a key transit route for Russian piped gas exports to Europe. The current deal between the two post-Soviet countries <u>expires</u> at the end of the year.

"After these very intensive talks I am very glad to say that we reached an agreement in principle on all key elements which I believe is very positive news for Europe, for Russia and

Ukraine," Sefcovic said.

Sefcovic, Ukraine's energy minister, Oleksiy Orzhel, and Russian Energy Minister Alexander Novak met in Berlin on Thursday. They did not provide details.

Gazprom said in a statement that Moscow and Kiev would meet on Friday in the Belarus capital of Minsk to continue talks.

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Orzhel, speaking at the same briefing, said he hoped to reach "positive results for all sides" soon. Novak, praising Germany's brokerage in the deal, said that "we all have done good work."

Earlier this year, German Chancellor Angela Merkel appointed Georg Graf Waldersee a special Germany envoy to represent Berlin's interests in the gas talks.

Russia and Germany are allies in Nord Stream 2 gas pipeline, to be <u>launched</u> next year. It would double Russian gas supplies to Germany via the route running beneath the Baltic Sea, known as Nord Stream 1.

Russia, Ukraine and the European Commision officials were meeting 10 days after so-called Normandy talks in Paris on Dec. 9, attended by the presidents of Russia, Ukraine, France and Germany's Merkel.

Russia's Vladimir Putin and Ukraine's Volodymyr Zelenskiy, in their first face-to-face meeting, discussed prisoner exchange, a renewed commitment to implement an existing ceasefire agreement in eastern Ukraine's Donbass region and gas.

Moscow is currently building two gas pipelines, Nord Stream 2 and <u>Turk Stream</u>. The latter's extension to south-east Europe is aimed at bypassing Ukraine.

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At his annual <u>news conference</u> Thursday, Putin said Moscow planned to keep gas transit via Ukraine irrespective of new gas pipelines Russia builds, in a sign of a softer stance towards its ex-Soviet neighbor, from which Moscow annexed the Crimea peninsula in 2014.

"We will look for a solution that is acceptable for all parties, including Ukraine," Putin said, adding that Russia would be ready to give Kiev a discount of 20-25% for gas purchases.

"I am confident we will reach an agreement... We have no desire to exacerbate the situation... or use this to influence the situation in Ukraine itself."

Ukraine halted its own direct imports of Russian gas in November 2015.

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