

Poland Refuses to Pay for Russian Gas in Rubles

By AFP

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AP/TASS

Poland's state energy company on Thursday said it would not pay for Russian gas in rubles, becoming the latest to reject Kremlin demands amid unprecedented sanctions on Moscow over its war in Ukraine.

"We don't see how we could," PAP news agency quoted Pawel Majewski, head of state oil and gas company PGNiG, as saying.

"The contract... sets the means of payment. It does not allow one party to modify this according to its will."

President Vladimir Putin on Wednesday said Russia would only accept payments in rubles for gas deliveries to "unfriendly countries" after Moscow was hit by an avalanche of sanctions over its war.

The economy minister of Germany, a country that imported 55 percent of its natural gas from Russia before the war, said the move was a breach of contract and that Berlin would discuss with European partners how to react.

The boss of Austria's OMV energy company said that the contract signed did not allow for payments in rubles.

Poland's current contract for Russian gas expires at the end of the year.

Warsaw is hoping to thereafter wean itself off Russian gas, replacing it with liquified gas shipments at ports and gas from Norway via a Baltic Sea pipeline.

The Kremlin has scrambled to limit the effects on Russia's economy of the unprecedented sanctions, which have affected everything from the central bank's foreign reserves to McDonalds.

Immediately after Putin's announcement, the ruble -- which has plummeted since the start of the Ukraine war -- strengthened against the dollar and euro, while gas prices rose.

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