

Russia Halts Gas Supplies to Finland

By <u>AFP</u>

May 21, 2022



TASS

Russia on Saturday stopped providing natural gas to neighbouring Finland, which has angered Moscow by applying for NATO membership, after the Nordic country refused to pay supplier Gazprom in rubles.

Following Russia's February 24 invasion of Ukraine, Moscow has asked clients from "unfriendly countries" -- including EU member states -- to pay for gas in rubles, a way to sidestep Western financial sanctions against its central bank.

Gazprom said in a statement Saturday that it had "completely stopped gas deliveries" as it had not received ruble payments from Finland's state-owned energy company Gasum "by the end of the working day on May 20".

Gazprom said it had supplied 1.49 billion cubic metres of natural gas to Finland in 2021, equal to about two thirds of the country's gas consumption.

However, natural gas accounts for around eight percent of Finland's energy.

Gasum said it would make up for the shortfall from other sources through the Balticconnector pipeline, which links Finland to Estonia, and assured that filling stations would run normally.

"Natural gas supplies to Finland under Gasum's supply contract have been cut off," the company said in a statement.

In April, Gazprom Export demanded that future payments in the supply contract be made in rubles instead of euros.

Gasum rejected the demand and announced on Tuesday it was taking the issue to arbitration.

Gazprom Export said it would defend its interests in court by any "means available".

Gasum said it would be able to secure gas from other sources and that gas filling stations in the network area would continue "normal operation".

- Rift over NATO bid -

In efforts to mitigate the risks of relying on Russian energy exports, the Finnish government on Friday also announced it had signed a 10-year lease agreement for an LNG (liquefied natural gas) terminal ship with US-based Excelerate Energy.

On Sunday, Russia suspended electricity supplies to Finland overnight after its energy firm RAO Nordic claimed payment arrears, although the shortfall was quickly replaced.

Finland, along with neighbouring Sweden, this week broke its historical military nonalignment and applied for NATO membership, after public and political support for the western alliance soared following the invasion of Ukraine.

Moscow has warned Finland that any NATO membership application would be "a grave mistake with far-reaching consequences".

Both Finland and Sweden are seemingly on the fast track to joining the military alliance, with US President Joe Biden offering "full, total, complete backing" to their bids.

But all 30 existing NATO members must agree on any new entrants, and Turkey has condemned the Nordic neighbours' alleged toleration of Kurdish militants and has so far voiced opposition to letting them in.

Russian Defence Minister Sergei Shoigu has said the Kremlin would respond to any NATO expansion by creating more military bases in western Russia.

Saturday's halt to gas shipments follows Moscow cutting off Poland and Bulgaria last month in a move the European Union described as "blackmail".

Original url: https://www.themoscowtimes.com/2022/05/21/russia-halts-gas-supplies-to-finland-a77759