

EU's Oettinger Says Russia-Ukraine Gas Talks Progressing

By [The Moscow Times](#)

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EU energy commissioner Günther Oettinger speaks at a news conference after his meeting with the Ukrainian and Russian energy ministers at the start of May.

Europe's Energy Commissioner said Ukraine and Russia have made further progress in a dispute over gas prices and his proposal that Ukraine pays \$2 billion of back debt by Thursday could pave the way for further talks on Friday.

Speaking after three-way talks with Russia's and Ukraine's energy ministers, Günther Oettinger said the two governments would study his proposal that Ukraine pay Russia \$2 billion by Thursday and a further \$500 million by June 7.

Oettinger, acting as a mediator in the capital of his home country Germany, said if the governments agreed to the deal, further talks about the gas price from April could then be held from Friday.

"We've achieved progress but we didn't achieve a breakthrough," Oettinger told reporters at a news conference in Berlin. "I believe an agreement is possible."

But Ukraine's Energy Minister Yuri Prodan, speaking after Oettinger and Russia's Energy Minister Alexander Novak had briefed reporters and left, said there was no final agreement and he would not confirm that Ukraine had agreed to pay \$2 billion on Thursday. He said the two sides have until Wednesday night to consider it.

"The payment is not in question," Prodan added. "Ukraine will pay its debts and obligations ... We would like to have a package price." He said both sides have until Wednesday to draft their position on the EU's proposal.

Russia supplies around a third of Europe's gas demand and about half of its gas imports from Russia flow through Ukraine.

Ukraine wants to change the conditions of a 2009 contract that locked Kiev into buying a set volume of gas, whether it needs it or not, at \$485 per 1,000 cubic meters — the highest price paid by any client in Europe.

Moscow dropped the price to \$268.50 after then-President Viktor Yanukovich turned his back on a trade and association agreement with the European Union last year, but reinstated the original price after he was ousted in February.

Ukraine insists on a price of \$268.50 per 1,000 cubic meters while Russia stands by its demand for \$485. Oettinger is trying to get the two sides to agree in the middle. The average gas price paid by European customers to Gazprom is about \$370.

Novak said there had been progress on Monday in Berlin.

"We're ready to continue the talks for setting future prices on Friday after we get paid," Novak said, repeating Oettinger's words that they had reached a preliminary deal in which Ukraine will pay \$2 billion on Thursday and \$500 million by June 7.

"The Russian side wants to have negotiations about prices only once the debts are paid," he added.

Oettinger, who is hoping to burnish his reputation as a crisis manager in his home country, said the European Commission was working to help enable Ukraine to pay its back debt to Russia. "We're helping make that possible," he said.

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