

Gazprom Shrugs Off Ukraine's Plan to Lease Gas Pipelines

By [The Moscow Times](#)

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Gazprom sees no impact from a proposal by Kiev to allow gas transit facilities to be leased on a joint venture basis with participation from firms in the European Union or United States, Deputy Chairman Alexander Medvedev said Friday.

Ukraine's parliament decided to discuss a bill outlining the proposal after Moscow cut off gas supplies to Ukraine on June 16 following Kiev's failure to pay off some of its gas debts to Moscow.

"It won't anyhow affect us. But let's not forget that its [Ukraine pipeline's system] age is more than 35 years with no needed investments done," Medvedev told reporters.

Gazprom said its gas flows to Europe via Ukraine increased on Friday despite a pricing standoff between Moscow and Kiev.

Russia used to ship around three-quarters of its gas exports to Europe via Ukraine. But the share has declined after it launched the Nord Stream pipeline with an annual capacity of 55 billion cubic meters (bcm) via the Baltic Sea directly to Germany in 2011.

Gazprom now plans to build the South Stream pipeline to ship gas to Europe across the Black Sea in 2015 with a view to increasing its annual capacity to 63 bcm by 2018-2019 despite opposition from the EU, which says the project does not meet its regulations.

"After we build South Stream, taking into account Nord Stream and other routes, there will be almost no need left to use Ukraine's gas pipeline system," Medvedev said.

See also:

[Gazprom to Lose \\$3 Billion if EU Sell Gas Back to Ukraine](#)

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