
Russia ready to buy Azerbaijani gas at record price

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RIA Novosti reported that Russia is ready to purchase Azerbaijani natural gas at a record price of USD 350 per 1,000 cubic meters to try and make a rival Western-backed gas pipeline project unfeasible

Mr Dmitry Medvedev Russian President paid a visit to Azerbaijan on Monday, during which Gazprom signed an agreement with the State Oil Company of Azerbaijan Republic to buy 500 million cubic meters of gas from Azerbaijan annually from January 1st 2010 with supplies expected to increase in the future.

According to Kommersant, it was reported later this Monday that inter governmental agreement on the construction of the rival Nabucco gas pipeline bypassing Russia could be delayed. The agreed gas price with Azerbaijan is higher than the USD 300 per 1,000 cubic meters that Russia offered to Uzbekistan and Turkmenistan earlier in the year.

The USD 10 billion Nabucco pipeline, backed by the European Union and the US is intended to link energy-rich Central Asia to Europe through Azerbaijan, Georgia, Turkey, Bulgaria, Romania, Hungary and Austria, bypassing Russia and Ukraine. Construction has been tentatively scheduled to begin in 2010.

Russia's transit disputes with its former Soviet neighbors have raised concerns that Europe is too dependent on Russia for its energy.

(Sourced from RIA Novosti)

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