
Ukraine warns Gazprom of potential gas payment problems

Tuesday, 27 Oct, 2009

RIA Novosti reported that Ukraine national energy company Naftogaz has warned Gazprom of possible difficulties with payment for October natural gas deliveries.

Mr Oleh Dubyna CEO of Naftogaz said at a meeting with Gazprom head Mr Alexei Miller on Thursday that it was increasingly difficult for the Ukrainian energy company to make gas payments and it could be problematic for it to pay for natural gas supplied in October.

Naftogaz paid for Russian natural gas deliveries in September on time and in full largely using borrowed funds.

According to the source, the Russian side insists that Naftogaz comply with contractual obligations in terms of natural gas purchase volumes and prices.

Mr Miller has said that under the contract, Ukraine must buy at least 52 billion cubic meters of gas per year, but Ukrainian Prime Minister Ms Yulia Tymoshenko said that Ukraine has the right to order the volume that it needs.

She said the contract provides for 20% fluctuations in the level of consumption, and that aggressive statements on mandatory purchase levels should be ignored.

Russia, which supplies around one fifth of Europe gas, briefly shut down supplies through Ukraine pipeline system at the start of the year during a dispute with Kiev over unpaid debt.

The conflict was resolved in January, when Russian Prime Minister Mr Vladimir Putin and his Ukrainian counterpart, Ms Tymoshenko agreed deals on deliveries to and gas transit through Ukraine for 2009.

(Sourced from RIA Novosti)

For more news visit at www.steelguru.com