
Russia pays USD 2.2 billion for gas transit through Ukraine

Wednesday, 24 Jun, 2009

Itar-Tass citing Mr Vladimir Putin Prime Minister of Russia as saying that Russia has paid USD 2.2 billion for the transit of natural gas through Ukraine.

He said this basically means a zero interest loan to Ukraine.

Mr Igor Sechin Vice Prime Minister said the transit of Russian natural gas through Ukraine has been paid till February to March 2010, adding that Gazprom will not be able to make further advance payments for transit to Ukraine.

Mr Sechin said earlier that "The government of Ukraine and Naftogaz Ukrainy has asked Russia to provide a loan of USD 4.2 billion for the purchase of about 19.5 billion cubic meters of gas."

Mr Putin warned that the transit of gas to Europe through Ukraine may be stopped at the end of June or the beginning of July. He said that "We caution in advance that transit may be stopped in late June or early July. He added that Gazprom will switch over prepayments for gas supplies upon the first failure of Ukraine to pay."

Mr Putin said "Upon the first failure to pay, Gazprom will have the right to demand a prepayment. If no prepayment is made, no gas will be supplied. He said that Gazprom will supply as much as gas as has been paid for. He added that there are big problems with payments for gas now."

He recalled that Russia had repeatedly asked the European Union to solve gas issues together. Mr Putin said "All our appeals to the European Union have proved futile. There is only one answer: there is no money for Ukraine."

Mr Putin said "We are living through a severe economic crisis, and the Ukrainian economy may be suffering from it more than others. No one is going to gloat at Ukraine's problems with payment for Russian gas supplies. But we cannot pay for that either."

He stressed that "Ukraine should solve two problems. To ensure gas supplies for current consumption and to pay for the pumping of gas into underground gas storage facilities. Without that Ukraine cannot survive during autumn and winter."

He said that Ukraine consumes USD 200 million worth of gas a month, adding, in principle Ukraine pays for that.

Mr Putin said however monthly pumping of gas costs USD 500 million. In other words, it is necessary to pay USD 5 billion by October, That's where big problems are and we suggest solving them together with the EU."

(Sourced from Itar-Tass)

For more news visit at www.steelguru.com