

Russia, Ukraine leave EU without gas

Russia and Ukraine are seeking support from Brussels in a bid to resolve a dispute over gas supplies, which has seen several European countries experience gas shortages. Slovakia and Romania have declared states of energy emergency, Bulgaria has ordered gas rationing for industry and Hungary, Croatia and Bosnia reported two consecutive days of complete stoppage of Russian gas supply. Russia's Gazprom halted gas supplies to Ukraine on 1 January 2009 after renegotiations on a new delivery contract for 2009 broke down amid fierce disputes over pricing. Gazprom has taken the decision to file a lawsuit with the Stockholm international arbitration court to force Ukraine's Naftogaz Ukrainy to secure unimpeded transit of Russian gas to Europe across Ukraine, according to the company. Gazprom says the US\$614 million arrears for the gas supplied in 2008 haven't been cleared. "The Ukrainian side is showing no initiative to sign the contract for gas supply in 2009. Instead of this, Naftogaz Ukrainy refuses to recognise the existing transit contract and grossly violates its commitments under it," accuses OAO Gazprom official spokesman Sergey Kupriyanov. An EU declaration on the gas crisis states: "It is unacceptable for the EU to see its citizens and enterprises suffering from gas shortages due to the non respect by both partner countries of their contractual obligations." The EU has urged Russia and Ukraine to honour their obligations as a supplier and a transit country and to immediately resume normal deliveries to the European market. A special EU Energy Council will take place on 12 January to review the energy market situation, including monitoring, and to discuss the concrete measures to be taken. The EU says it will speed up work on the various energy security initiatives with particular emphasis on priority interconnections both within the EU and with supplier and transit countries, increased transparency, and the developing of crisis mechanisms to tackle temporary supply disruptions. Naftogaz Ukrayiny says it could take up to 36 hours to restore normal flows of Russian gas to European users once Russia and Ukraine settle their dispute.

Source: essa news Issue 1, 12 January 2009