

Russian MFA Spokesman Commentary on Joint EU-Ukraine International Investment Conference on the Modernization of Ukraine's Gas Transit System

A Joint EU-Ukraine International Investment Conference on the Modernization of Ukraine's Gas Transit System took place in Brussels on March 23. The conference adopted a joint declaration, which we have carefully studied.

The Russian side had actively prepared for participation in the conference, the invitation to which the CEC President, Jose Manuel Durao Barroso, conveyed to us during the Russian Government-CEC February meeting. In particular, he pointed out that "it is very important that Russia be represented there so we can create cooperation and strengthen trust." We had presumed that its outcomes could reinforce the positive forms of collaboration on the settlement of the problem of gas transit via Ukraine and lead in the Russia-EU-Ukraine format to new accords in the interests of maintaining the energy security of Europe.

Regrettably, the organizers of the event chose a different course by actually excluding us from the three-way format of the conference.

In particular, the Russian-Ukrainian bilateral accords were reached in January 2009 that clearly fixed the price for natural gas and tariffs for its transit through the territory of Ukraine. These documents are meant to ensure the uninterrupted supply of natural gas to Ukraine and through the territory of Ukraine to European consumers. But a number of provisions of the joint declaration, which, specifically, allows for growth of tariffs for transshipping gas, run counter to the said long-term accords and may lead to a rise in the price of gas for its Ukrainian and European consumers. Russia stands for strict observance of the long-term contracts on a transparent and economically justified basis.

The Ukrainian gas transit system, which accounts for 80 percent of the transit of Russian natural gas to Europe, is technologically interconnected with the Russian gas transportation system. Therefore any moves uncoordinated with the Russian side for its modernization will lead to the growth of technological risks and possible interruptions of natural gas supplies to Ukraine and Europe. This is also not Russia's choice.

It is obvious that modernizing the transit system requires involvement of all the sides participating in transshipping gas: the suppliers, transiters and consumers. It was from this understanding that the Russian side proceeded in accepting the invitation to attend the conference. As follows from the declaration, EU plans had not included the participation of Russia in these efforts. In this context we remind our European partners that Article 65 of the Russia-EU Partnership and Cooperation Agreement directly points to the importance of collaboration in the work of modernizing the energy infrastructure.

It is difficult to assess such actions as being directed at strengthening the European Union's cooperation with Russia.

In addition, the joint declaration adopted in Brussels does not take into account the agreements and accords between Russia and Ukraine in the gas sphere, in particular, on the creation of an International Consortium for the Development and Management of Ukraine's Gas Transit System, for which the 2002 statement of the President of the Russian Federation, the President of Ukraine and the Chancellor of the FRG laid the groundwork. This puts the idea of creating the Consortium, aimed at strengthening the energy security of Europe, in jeopardy.

Russia believes that energy cooperation is one of the important mainstays to European security. We have been consistently advocating development of a multi-profile partnership in this sphere on the basis of consideration of the interests of suppliers, consumers and transit countries. Therefore any accords that fail to consider the interdependence of these interests can lead to a disorganization of energy cooperation and the formation of dividing lines in this sphere.

We hope that the EU countries, Ukraine and other states will construct their energy policy in the spirit of partnership and positive interdependence.

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