

PM: Talks with Gazprom will be continued in Moscow next week

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BNS

A group of Lithuanian experts will go to Moscow next week to continue negotiations with Russia's gas concern Gazprom, Prime Minister has said. However, the group will not include its head, the Energy Minister.

"This week, all those proposals are being analysed, and we are just marking the proposals, which we agree with, the proposals, which should be discussed, the proposals, which we don't agree with. Next week, in line with my order, a group of experts shall go to Moscow. Of course, before that it will have to coordinate with Gazprom and start the process of negotiations," Algirdas Butkevičius told the radio station 'Žinių radijas' on Thursday.

He would not make any forecasts as to when Lithuania and Gazprom could finally manage to reach a deal and sign an agreement.

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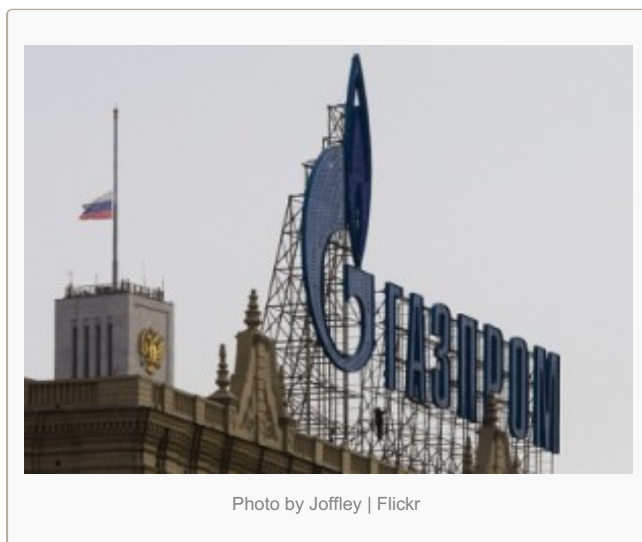


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Butkutė-Lazdauskienė, the Prime Minister's spokeswoman, told BNS that the final line-up of the delegation, which would go to Moscow, had yet to be established and the specific date of the visit would be known early next week.

She said, however, that it was already clear that the delegation would include Irina Urbonavičiūtė, an adviser to the Prime Minister, and Rimas Varkulevičius, an adviser to the Energy Minister, both of whom were members of the negotiation group.

The group of Lithuanian negotiators is led by the Energy Minister Jaroslav Neverovič. A respective group of Gazprom is led by Alexander Medvedev, the concern's deputy chairman.

President Dalia Grybauskaitė stated on Tuesday that written proposals on natural gas prices and other terms of supply, which Russia's gas company had recently sent to Lithuania, were unacceptable. However, she authorised the government to continue negotiations. Although Butkevičius said that the price now offered by Gazprom was the lowest compared with previous proposals, Grybauskaitė claimed that the discount was offered at the expense of Lithuania.

Unofficial sources said that Gazprom had proposed to Lithuania to sign a 10-year gas supply contract, which would include "take-or-pay" clause that would cover 80 per cent of the contractual volume. Moreover, Gazprom reportedly proposed to lower the price by 20 per cent, which would be around \$370 per 1,000 m³, for 2014-2015, the last years covered by the existing supply contract. Later the price would be renegotiated.

However, Gazprom also wants Lithuania to withdraw all of its lawsuits in Lithuanian courts and international arbitration tribunals. In addition, the gas concern wants Vilnius to commit itself not to file any claims in future. According to unofficial sources, this implies that the Russian company would not provide any compensation for overpricing in the past.

Lithuania has filed a more than four billion litas (EUR 1.16 billion) arbitration claim in Stockholm against Gazprom as it wants to be compensated for excessive gas prices it was charged between 2004 and 2012.



Alexander Medvedev, Director General of Gazprom export | Photo courtesy of © 2003–2013 Gazprom