

Grybauskaitė: Gazprom's proposals unacceptable to Lithuania

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BNS

Written proposals on natural gas prices and other terms of supply, which Russia's gas giant has recently sent to Lithuania, are unacceptable, President Dalia Grybauskaitė has said, adding that the negotiations will be continued.

"Certain proposals were presented verbally and we waited for specific written proposals. We have received a written document, which is similar to the memorandum, which we received last April. The essence of those proposals is the same as last year when I considered the terms to be unacceptable," she told the reporters after the meeting with Prime Minister Algirdas Butkevičius on Tuesday morning.

Compared with the proposals sent last year, this time the concern had modified the price of gas offered to Lithuania, but only for a period of three years, she said.

"I may say, just as we feared a couple of weeks ago, that they

say one thing and then, once again, we receive strange, incomplete, inaccurate and vague proposals, which, by all means, cannot guarantee all other conditions. Therefore, those written proposals are unacceptable for the meantime. I asked the prime minister to continue discussions and negotiations. It's important for us to talk to all suppliers, we don't ignore any of them," Grybauskaitė said.

Prime Minister said that the price now offered by Gazprom was the lowest compared with previous proposals. Meanwhile, Grybauskaitė pointed out that the discount was offered at the expense of Lithuania.

"I simply want it to be clear for everyone so that there are no illusions. The discounts being offered will be at our expense," she said.

Meanwhile, the Prime Minister said that on Monday he talked to Alexei Miller, Gazprom CEO, and discussed the proposals submitted by the concern. He added that Miller had assured him once again that verbal agreements remained valid and the parties should continue negotiations.



Prime Minister Algirdas Butkevičius and President Dalia Grybauskaitė | Photo courtesy of © 2014 Office of the President of the Republic of Lithuania, Photo by R. Dačkus



“His [Miller’s] answer was simple – it’s something to be negotiated on. There should be proposals, which will then be discussed,” he said.

Unofficial sources said that Gazprom proposed to Lithuania to sign a 10-year gas supply contract, which would include a “take-or-pay” clause that would cover 80 per cent of the contractual volume. Moreover, Gazprom proposed to lower the price by 20 per cent in the first three years and to renegotiate it afterwards.

In addition, Gazprom proposed to Lithuania to withdraw all of its lawsuits in Lithuanian courts and international arbitration tribunals. The gas concern also wants Vilnius to commit itself not to file any claims in future.

It also proposed to conclude an intergovernmental agreement governing the transit of gas to Russia’s Baltic exclave of Kaliningrad.

The existing gas supply deal between Lietuvos Dujos and Gazprom will expire at the end of 2015.

Gazprom sent written proposals to Lithuania at the end of last week. Butkevičius then said that parties would negotiate not only on the price, but also on natural gas transit to Russia’s Baltic exclave of Kaliningrad, the EU’s third energy package, the Russian company’s shareholdings in Amber Grid and Lietuvos Dujos (Lithuanian Gas), and other issues.

The government is seeking a cut in Gazprom’s natural gas price, which is now the highest in Europe.