

Ukraine trying to fight South Stream

On 8 June, at a conference in Istanbul, Ukraine's energy minister Yuri Boyko criticised Russian plans to build the South Stream gas pipeline, claiming that they strike at the national interests of Ukraine. Earlier, the government in Kyiv linked a possible agreement to create a Russian-Ukrainian gas consortium with a demand that Moscow give up its plans to build this pipeline. This demonstrates Kyiv's growing concern over the prospect that it may lose the status of a transit state for Russian gas. At the same time, Ukraine's position is too weak to block this project, while the very possibility that the South Stream would be constructed is a convenient tool for Russia to put pressure on Ukraine.

Boyko joined the Ukrainian delegation which was participating in a meeting of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) in Istanbul, during which the Ukrainian President Viktor Yanukovich and the Russian prime minister Vladimir Putin met. According to reports in some media, Ukraine tried to convince Russia to give up the South Stream project, offering favourable rates for transit across Ukraine in exchange.

The construction of a gas pipeline bypassing Ukraine would permit a significant reduction in the amount of gas currently sent from Russia via Ukrainian territory; this would significantly reduce Ukraine's transit importance, and the possible cessation of gas deliveries to Ukraine would not hurt EU countries as much as it did during the period of the 'gas war' in January 2009. It seems that President Yanukovich's team is aware of this threat, and is determined to maintain Ukraine's status of the main transit country for gas from Russia. However, Kyiv does not have enough clout to induce Moscow to give up constructing the South Stream pipeline, and the very possibility of its being built may incline Ukraine itself to make concessions. <smat>