

Will Moldova Get 'Cheap' Russian Gas from Ukraine?

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The Moldovan authorities agreed to extend the contract with Gazprom and a big discount on Russian gas. Now it remains to understand how to get it

Recently it has become known that Chisinau has finally extended the contract for the supply of Russian gas. The President has long talked about it as a fait accompli, but the negotiations were clearly delayed. Nevertheless, the new agreement was signed on favorable terms for Moldova: the price per cubic meter of blue flame gas decreased from 235 to 173 dollars. The contract will come into force on January 1, 2020.

However, so long as the agreement on further supplies of Russian gas to Moldova was really only a matter of time, the question of its transportation is still in the air. The problem of transit remains a sore point in European politics in general, and Moldova is no exception in this regard.

So far, the situation in the gas negotiations between Russia and Ukraine is frankly sad. All parties express good wishes for the continuation of transit, and Kyiv has declared the signing of the contract on gas transportation as its "absolute priority". However, so far, even the mediation efforts of the European Union are not enough to smooth over all the existing contradictions, which are complicated both by the general situation of relations between the two countries and by the array of lawsuits between Naftogaz and Gazprom.

But the main root of the problem is not even them, but the fundamental difference in the strategic interests of the two states. Ukraine, like the European Union, wants to get a long-term contract, similar to the one that was signed in 2009.

Russia, keeping in mind the launch of the Turk and Nord Streams in 2020, is ready only for a short-term agreement. The Kremlin obviously intends to significantly reduce the importance of Ukrainian gas transit and get an additional tool of influence on Kyiv in the future.

The parties may still be able to settle the gas dispute at the last moment, but so far all negotiations on this topic have actually failed. There is reason to believe that the upcoming meetings at the expert and ministerial levels in late November and early December will end with the same result.

Apparently, Chisinau is well aware of the risks of termination of Ukrainian transit, even despite the constant assurances of Moldovan officials that next year there "will certainly be" gas in Moldova. Therefore, the updated contract with Gazprom provides for alternative terms for gas supplies, including purchasing Russian natural gas on the Russian-Ukrainian border or its reverse through the Trans-Balkan corridor.

Despite this, each alternative scenario somehow has deep pitfalls, which not only can easily outweigh good news about the gas discounts to Moldova, but also create risks for its supply in principle. For example, in the case of gas reverse, which remains one of the main options, Moldova will incur significant extra costs (which President Igor Dodon has already acknowledged), while the other scenario outlined in the contract involves providing gas only to Chisinau and the north of the country.

It is telling that Moldova does not have any levers of influence on the current situation, although they could well be. So, it is not very clear why the Moldovan diplomacy could not, for example, ensure the participation of representatives of Moldova in the gas negotiations at least as observers – since the issue of supplies directly concerns the interests of Chisinau. Moreover, a great chance was missed to use the resource of the huge international attention to Moldova after

the June events and loudly declare the problem (and perhaps even become one of the significant platforms for its discussion). This is not to mention the mediation potential of Chisinau, which could turn in its favor good relations with Kyiv and Moscow.

It is also important to note the significantly reduced role of the Ukrainian track in the Moldovan foreign policy. The visit of former Prime Minister Maia Sandu to Kyiv remained, in fact, a visit of ceremony, as it did not lead to the implementation of at least some joint initiatives, including on the gas topic.

The signed contract with Gazprom could become to some extent a positive factor in the overall context of the gas dispute between Russia and Ukraine. However, against the background of the recent internal political changes in Moldova, it is unlikely that Kyiv will now take into account Moldovan interests.

It is clear that Moldova initially could hardly hope for a key role in the solution of the gas conflict, but Chisinau had every opportunity not to remain a passive observer at the end of the day. Now Moldovan politicians can only follow the Russian and Ukrainian news, because the fate of Moldova will again be decided outside its borders.