

Russia should liberalize its energy market to maintain good relations with EU - Austrian chancellor

VIENNA. APRIL 23. INTERFAX CENTRAL EUROPE – Russian energy market liberalization, as set out under the European Energy Charter the Kremlin has signed but refused to ratify, is necessary for good relations with the European Union, Austrian Chancellor Alfred Gusenbauer told the Europe-Russia Forum in Vienna on Monday.

“Reciprocity is equal terms for everyone,” Gusenbauer said. “On the one hand to have a liberalized European Union energy market and on the other to have a monopolized energy market is Russia: that’s just not going to work. It would only facilitate takeover of the European energy market.”

Russia’s Gazprom has recently been making forays into ownership of European oil-and-gas infrastructure assets, including countries such as Belgium, the U.K., and Hungary, even as the Kremlin has squeezed foreign investors in its own energy industry. While Moscow signed the European Energy Charter treaty, mandating market liberalization, in 1991, it has to date refused to ratify the document, raising fears it would seek to use its monopolistic position to muscle in on the EU energy market.

The ratification of the energy charter treaty was one of the conditions Poland made in November last year in return for dropping its veto to the negotiating mandate for a new partnership and cooperation agreement (PCA) with Russia. While that demand has since been dropped, the veto remains in place and one suggested compromise includes enshrining elements of the charter into any new PCA. The Austrian chancellor suggested such a compromise could be workable and dismissed criticism of the PCA as redundant.

“I think the PCA would embrace all sorts of elements, not just energy,” Gusenbauer said. “It is good to have this specific kind of PCA.”

AN/JT

For further information please e-mail newsroom@interfax.pl or phone (+48) 22 630 83 88.