

Brent spot \$119.76 ▼ -1.25%	Brent futures (1 mo) \$119.92 ▼ -1.38%	WTI spot \$112.83 ▼ -1.33%	WTI futures (1 mo) \$112.88 ▼ -1.78%	UK Nat Gas (1 mo) 259.04p ▼ -6.65%	UK Nat Gas (2 mo) 262.45p ▼ -6.14%
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Lifetime assignment: Naftogaz Ukrainy executive chairman Yuriy Vitrenko Photo: AFP/SCANPIX

Naftogaz's unsinkable helmsman

Head of Ukrainian state company keeping his company operating despite war

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By [Vladimir Afanasiev](#)

Naftogaz Ukrainy executive chairman Yuriy Vitrenko has shown great strength of character as the Ukrainian state oil and gas company continues to operate during the country's war with Russia.

Even before the Russian invasion, Vitrenko had been a bulwark for Naftogaz guiding the producer and distributor through disputes with Russian gas giant Gazprom and domestic gas market reforms started by his predecessor, Andrey Kobolev.

Born in 1976 in the Ukrainian capital of Kyiv, to a politician and an economics scholar, he holds several degrees in international economics and business from the country's universities and international schools.

While Vitrenko had some early experience in the banking and consulting sector, his career path appeared destined for Naftogaz.

Vitrenko held several short-term positions with the company up to 2014 and between stints with Naftogaz would run his own financial services firm in partnership with long-time friend Kobolev.



His next assignment with Naftogaz lasted from 2014 to 2020 — the period when Kobolev attempted to reform the country's state-regulated domestic gas market.

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The reforms were painful for Ukraine, where households had enjoyed a heavily subsidised gas price, while industrial consumers paid the market price, which had led to a two-tier marketplace prone to manipulation.

Despite criticism from Ukraine's populists, the transformation led to the emergence of an open gas market, based on European practices.

The result was a drastic improvement in energy efficiency, with Ukraine's gas imports from Russia dropping by an estimated 20 billion cubic metres per annum.

Vitrenko, however, insists that Ukraine still has room to reduce gas imports and rely solely on own domestic production, as per capita gas consumption in the country still remains higher than in Europe.



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For years, Ukraine and Naftogaz had to rebuff Gazprom's efforts to gain control over its vast gas transportation network and the underground storage facilities in the west of the nation, which are capable of holding between 33 Bcm and 35 Bcm of gas.

In 2015, Naftogaz dealt another blow to Gazprom, halting its direct gas purchases from the Russian giant after arranging an alternative route from Slovakia to import gas from European hubs.

The loss of yet another foothold in Ukraine spurred Russia to build a second subsea pipeline across the Baltic Sea to Germany — Nord Stream 2 — in retaliation.

The first line, Nord Stream, was brought in service after Ukraine had refused Russia's offer to control its trunkline network and, with Nord Stream 2, Russia would be able pipe gas to Europe without transiting Ukraine.

While Kobolev was leading Naftogaz's operations in the new domestic market environment and improving its corporate structure, Vitrenko was at the forefront of the company's legal battles with Gazprom in international arbitration in Europe.

In 2019, an arbitration court in Stockholm ruled in favour of Naftogaz and ordered Gazprom to pay \$2.9 billion in damages to the Ukrainian company for breaking its contract obligations.

A fluent English speaker, Vitrenko was also leading efforts to block Nord Stream 2 before the war in Ukraine broke out, and travelled frequently to meet legislators in Europe and the US to explain the project's risk to European energy security.

More recently, he returned from an arbitration hearing in The Hague, where Naftogaz had brought a case against the Russian government to recover an estimated \$10 billion from the loss of its Black Sea gas producing assets following Russia's annexation of the Crimea Peninsula in 2014.

Meanwhile, despite his long-standing friendship with Kobolev, Vitrenko resigned from his role as Naftogaz executive director in 2020 as questions were raised over the next steps for the company and its increasing independence from the state.

Appointed an acting energy minister despite the opposition of Ukraine's parliament, the Rada, Vitrenko returned to Naftogaz in April 2021 to take over as executive chairman after the government suddenly decided to replace Kobolev.

More than two weeks after the Russian invasion, Naftogaz has been reporting stable operations and supplying gas to households across the country, including areas close to fighting and even to settlements that have fallen under Russian control.

Vitrenko has also remained active on social media, communicating directly with the general public, despite the pressures of the war.

In a recent interview with Ukraine's television network Ictv, Vitrenko praised increasing support from Western countries, despite their short-term economic losses.

"This support is very important, both the economic and moral points of view," he said.



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