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APPROPRIATIONS & 10 OTHERS

# Ukraine's Naftogaz seeks US financial help amid threats to natural gas supplies

"The humanitarian crisis is coming," the country's energy executive says as Russian fighting nears gas fields.



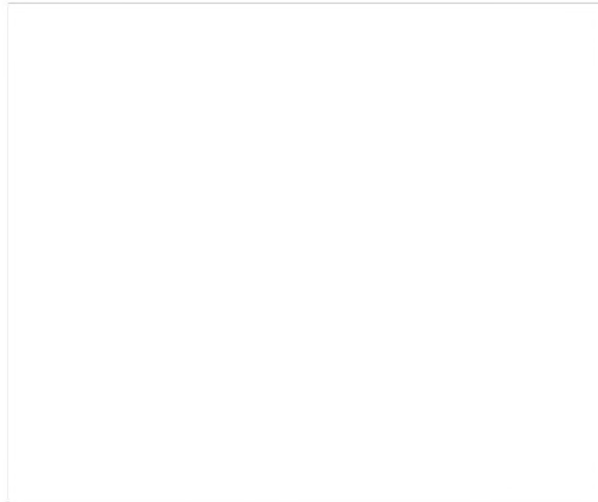
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Ukraine will need to import up to 7 billion cubic meters of additional natural gas to meet its heating needs this winter. | Sean Gallup/Getty Images

Ukraine energy company executives are asking the Biden administration and U.S. lawmakers to provide funds to help the country secure natural gas before this coming winter, warning that disruptions to its fuel supply amid Russia's invasion will lead to a humanitarian crisis.

Ukraine will need to import up to 7 billion cubic meters of additional natural gas to meet its heating needs this winter as Russian troops continue attacks in the eastern part of the country, a region home to about 80 percent of Ukraine's natural gas production, said Svitlana Zalischuk, senior adviser to the head of Ukraine's state-owned natural gas company Naftogaz. With Ukraine's economy in free fall because of the war, it does not expect to have the money to buy the gas it needs in the international market, Zalischuk said.



Ukraine officials are now bringing the subject up with White House officials and members of Congress on the Appropriations Committee, Zalischuk said. The country is asking the U.S. government to help finance natural gas for shipments, possibly through language in a Congressional budget supplement, though it hasn't put a dollar figure on how much money it is seeking.

“The humanitarian crisis is coming,” Zalischuk said in an interview in which she described Ukrainians even now living in cellars in below-zero temperatures because of constant shelling from Russian troops. “We need help.”

Naftogaz has continued providing gas to Ukrainians who are unable to pay due to job losses, Zalischuk said. But as the fighting continues, the country is facing a strong possibility that it will run into major gas shortages next winter unless it can find a way to pay for increased imports as soon as possible, she said.

“There can be different solutions to that,” Zalischuk continued. “The easiest probably will be a funded solution — to buy it on the market — or otherwise in-kind support. There are plenty of instruments how to deal with this, but we need political decisions to acknowledge this, to admit this is a humanitarian situation.”

President Joe Biden in March [pledged that the White House would help steer](#) 15 billion cubic meters of liquefied natural gas to Europe to help it reduce its dependency on Russia, though they did not say where the supply would come from or how the U.S.

government would convince private companies to sell into the region. Russia supplies 40 percent of the gas the region imports.

Neither the White House nor House Appropriations Committee spokespeople immediately replied to questions.

White House National Security Adviser Jake Sullivan said U.S. and European government officials continued to talk about how to revamp Europe's energy supplies to move it away from depending on Russia.

"There's more active discussion in Europe now, and more active discussion between us and Europe, about what the future of that energy relationship is," Sullivan said Thursday in remarks at the Economic Club of Washington, D.C. "And one thing the United States is doing very aggressively is taking practical steps to help Europe be able to wean itself off of Russian gas by increasing and intensifying the delivery of the supplies of U.S. liquefied natural gas."

Ukraine officials were also seeking the government's help in convincing its European allies to abandon Russia's Nord Stream pipeline as a conduit for natural gas deliveries, instead rerouting their deliveries through Ukraine.

Germany and Austria remain opposed to the idea, however. Europe has banned imports of Russian coal and is inching toward greatly reducing its imports of Russian oil. But cutting off its Russian gas supply could throw Germany's economy into a recession, [a recent report from the country's top economic research institutions](#) stated.

Rerouting the gas through Ukraine could soften that economic blow, which would still not compare to the losses that Ukraine's economy has taken, said Olga Bielkova, director of public and international affairs at the Gas Transit System Operator of Ukraine. The Ukraine pipeline system has enough spare capacity to handle the switch, Beilkova said.

"What Europe can do, they can get rid of Nord Stream gradually," Bielkova said in an interview. "Because then it would strengthen us, and they will still be getting their gas."

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**YOUR ACCOUNT MANAGEMENT TEAM**

**Cailon Seth Washington**

Account Management Associate

cwashington@politico.com

**Minah Malik**

Pro Account Manager

mmalik@politico.com

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