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Ukraine's backers urge government to act on Naftogaz reform

Прихильники України закликають уряд діяти на основі реформи "Нафтогазу"

Політичні лідери України закликали уряд активізувати реформи державної НАК "Нафтогаз України" після того, як незалежна комісія газової фірми повідомила, що влада блокує зміни. Регіональний директор Європейського банку реконструкції та розвитку, кредити якого дозволяють «Нафтогазу України» купувати газ у Європі взимку, заявив, що банк був розчарований бездіяльністю уряду. У відповідь прем'єр-міністр країни Володимир Гройсман заявив, що реформи будуть продовжуватися.

<http://timesofindia.indiatimes.com/business/international-business/ukraines-backers-urge-government-to-act-on-naftogaz-reform/articleshow/60770400.cms>

BRUSSELS/KIEV, Sept 20 ([Reuters](#)) - [Ukraine's](#) financial and political backers urged the government on Wednesday to step up reforms of state-run [Naftogaz](#), after the gas firm's independent board resigned saying authorities were blocking changes.

Tuesday's decision by the remaining members of Naftogaz's supervisory board to step down has highlighted the work the government still needs to do to convince its allies of its commitment to eliminate the power of vested interests.

The regional director of the [European Bank for Reconstruction and Development](#)(EBRD), whose loans help Naftogaz buy gas from Europe in winter, said the bank was disappointed by the government's inaction.

"The government of Ukraine has not met the target of implementing bylaws on Naftogaz that enable the board to function properly. And it needs to be fixed," Francis [Malige](#) told journalists in Brussels.

He joined calls from the [United States](#) and British embassies for the prompt appointment of a new, professional and independent board for Naftogaz.

"The fact remains Naftogaz is being hindered in realizing its potential as a profitable strategic asset," the British embassy said in a statement.

The Ukrainian government has taken steps to improve Naftogaz's finances and boost transparency in the graft-ridden energy sector.

A reform to bring Naftogaz's prices in line with the market helped the firm to post profit in 2016 for the first time in five years.

But the EBRD and others say a planned 'unbundling' - splitting Naftogaz's production, transport and sales businesses - is taking too long.

"All this is complicated, but with the proper political will it can be resolved," the EBRD's Malige said.

"Naftogaz should not remain a monopoly, should be very transparent and it has to have a governance that enables it to make the decisions that put it in the right direction," he said.

Responding to the board's resignation, Prime Minister [Volodymyr Groysman](#) told his cabinet on Wednesday that the Naftogaz reforms would not be derailed.

"I guarantee that the reforms will be continued and sped up," he said, emphasising that the government was committed to the unbundling process. (Reporting by Natalia Zinets; Writing by Alessandra Prentice; Editing by [Louise Heavens](#))