

Russian gas still flowing to Europe despite deadline day for rouble payments arriving

The amount of gas flowing into Europe from Russia hit its highest level in four months today, despite threats from the Kremlin to halt all supplies to “unfriendly” countries, potentially wreaking havoc.

Friday marks the deadline for countries in the European Union and elsewhere to [start paying for their gas in roubles](#).

Failing to comply, President Vladimir Putin said, would lead to Russia turning off the taps for gas supplies to Europe, triggering widespread energy shortages on the continent.

Mr Putin has demanded that importers of Russian gas in Europe stop paying in dollars and euros, and instead open rouble accounts in Russian banks in order to prop up the country’s struggling currency.

But the Kremlin appeared to leave the door open to a last-ditch compromise, saying that Russia wouldn’t halt all supplies today as payments on deliveries due after 1 April wouldn’t be taken until as late as May.

Around 60% of gas imports into Europe are currently paid in euros, and the rest in dollars.

It is likely that Russia and the European Union will reach some kind of agreement, according to energy experts, whereby clients in countries like France and Germany continue to pay for their gas in euros and Gazprom converts that to roubles in Russia.

More on Russia



Russian government hackers linked to cyber attack on first day of Ukraine invasion



Ukraine war: UK's nuclear power status being reinforced by Russian invasion, top MoD official says



Ukraine war: Putin playing chicken with the West over gas sales – and the stakes are high for both sides

Related Topics:

- [Russia](#)
- [Ukraine](#)
- [Vladimir Putin](#)

“It was in the interest of both parties to avoid a complete

halt of flows," said Leon Izbicki, a natural gas analyst at Energy Aspects.

"Europe would need to implement rationing of gas, which would have massive ramifications and lead to industrial shutdowns, while Russia would lose yet another revenue stream."

But Gazprom insisted on Friday it was going ahead with the move, saying it had started to send requests for rouble payment switches to its clients.

Meanwhile, a spokesperson for the Kremlin said that Mr Putin's order to receive gas payments in roubles is irreversible.

"The overall risk of a complete shutdown is lower in our opinion," Mr Izbicki said, pointing to the Russian announcement on Thursday that it would accept payments in dollars or euros into a special currency account at Gazprombank.

EU sanctions specifically exclude Gazprombank, leaving room to find a compromise.

Requiring payments in roubles could prop up the faltering currency and support exchange rates, experts said, while allowing Russia to more easily navigate sanctions.

It is unlikely to dramatically change the country's dire economic situation, however.

Daily gas flows from Russia into Europe via Ukraine hit their highest level on Friday since November, according to Bloomberg data.