

Hungarian state-owned energy company MVM announced that it has reached an agreement with Russian gas company Gazprom to defer its payments for the winter season.

The statement from MVM said that payments for gas purchases will be deferred if prices exceed a certain threshold value, allowing MVM to pay for the gas over the coming three years if prices surge. The threshold is said to be current below market price, but the exact number was not specified. The agreement is valid for six months, namely until March 2023. The company also said that it will tap 800 million cubic meters of cushion gas held in its reserves, worth around 1.5 billion euros at current market prices, to aid Government's efforts to limit household energy bills.

Under a 15-year deal signed last year, Hungary receives 3.5 billion cubic meters of gas per year via Bulgaria and Serbia under a long-term deal with Russia and a further 1 billion via pipeline from Austria.