

Gazprom Cuts Gas Production Target Again on Weak Demand

By [The Moscow Times](#)

November 15, 2010



Miller watching a soccer match in St. Petersburg on Sunday. Zenit won 5-0. **Dmitry Lovetsky**

Gazprom, supplier of a quarter of Europe's gas, trimmed its outlook for 2010 gas production by nearly 1 percent on Monday, its second reduction this year, as weak economies cut demand for the fuel.

Gazprom, the world's biggest gas producer, plans to produce 515 billion cubic meters this year, the gas export monopoly said on its web site in a third-quarter report under Russian accounting standards. The company forecast gas output at about 519 bcm in June, down from a target of 529 bcm given by chief executive Alexei Miller in April.

Miller said in June that Gazprom may miss its output goal this year after consumption in southern Europe declined, stalling a recovery in demand after global economic growth revived.

Germany's market leader E.ON Ruhrgas, which has a small stake in Gazprom, said last week that Europe had a current gas overhang of 30 bcm to 40 bcm.

Gazprom exports will be about the same volume this year as last year, when sales outside Russia and former Soviet Union republics were 140.6 bcm, chief financial officer Andrei Kruglov said in September.

Gazprom was producing more than 550 bcm per year before the crisis hit demand in Europe and its main customers switched to liquefied natural gas and spot gas sources, from more expensive long-term contracts for Gazprom's pipeline gas.

The temperature in Russia, where Gazprom sells more than a half its production, is expected to exceed the normal level by an average of 1 degree to 2 degrees Celsius in November, according to the Federal Meteorological Service.

(Bloomberg, Reuters)

Gazprom is considering the sale of 9.4 percent of Novatek, Interfax reported Monday, citing a bond prospectus issued by the gas export monopoly.

Gazprom, which holds 19.4 percent of Novatek, the country's second-largest gas producer, has not made a decision about the final terms of a sale, the news service said.

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