

Gazprom to Pay \$5.7Bln More in Taxes Next Year

By [The Moscow Times](#)

June 01, 2011

The  Moscow Times

Finance Minister Alexei Kudrin said Wednesday that the state will not increase mineral extraction tax for independent gas producers, the government web site reported after an industry meeting with Prime Minister Vladimir Putin.

Kudrin also said the tax burden for the gas industry will be increased by 150 billion rubles (\$5.37 billion) in 2012, as discussed earlier, 170 billion in 2013 and 185 billion in 2014.

"This 150 billion rubles is around 10 percent of the Gazprom's expected 2012 EBITDA [earnings before interests, taxes, depreciation and amortization]," said Denis Borisov from Bank of Moscow.

"This is a lot but not critical, and Gazprom will get an argument for domestic gas tariff increases," he added.

Kudrin said the mineral extraction tax will account for 80 percent to 90 percent of the total tax bill. Gazprom is the country's biggest taxpayer.

"The mineral extraction tax won't be increased for independent producers," the minister said.

Kudrin added that the state would also find some other sources of refilling its deficit-hit coffers from the gas industry including waving tax breaks for some fields ahead of schedule as well as the cancellation of preferential export duties.

Meanwhile, Gazprom deputy chief executive Alexander Ananenko said Wednesday that the company might increase its investment program this year to 1.18 trillion rubles (\$42 billion). Spending in 2012 and 2013 is planned at about the same level as this year, Ananenko said.

The gas giant had previously lowered the 2011 plan from last year's spending as demand fell.

The company could raise production to 519 billion cubic meters this year, more than planned, after stronger-than-expected demand in the first five months, Ananenko said.

Output has exceeded targets by 9.1 bcm so far this year, he said. Gazprom had planned output at 505.6 bcm this year, after producing 508.6 bcm last year.

Ananenko also said the company sees no need for foreign partners at its Sakhalin-3, Kovykta or Chayanda gas projects. The Kirinskoye field, part of Sakhalin-3, will start output next year and reach capacity of 4.5 bcm a year in 2014 or 2015, he said. The Kovykta project will start producing no earlier than 201. Gazprom bought the Kovykta license at a bankruptcy auction for Russia Petroleum, which was a unit of BP's Russian venture, TNK-BP.

(Reuters, Bloomberg)

Petronet LNG, India's biggest importer of liquefied natural gas, signed an agreement to purchase the fuel from Gazprom and boost long-term contract volumes by 28 percent, Bloomberg reported.

Petronet will buy as much as 2.5 million metric tons of LNG annually for 25 years, the company said in an e-mailed statement Wednesday. Gazprom's Singapore-based marketing and trading unit will supply the gas.

Original url:

<https://www.themoscowtimes.com/2011/06/01/gazprom-to-pay-57bln-more-in-taxes-next-year-a7355>