

# Gazprom Warns About Taxes

By [The Moscow Times](#)

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**The  Moscow Times**

Increasing taxes on Russia's gas sector will lead to at least a 10 percent drop in production, and another component of capitalization, the value of reserves, will also go down, according to a letter from Gazprom deputy CEO and head of its finances and economics department Andrei Kruglov to Deputy Prime Minister Arkady Dvorkovich cited by Interfax on Tuesday.

Gazprom is losing faith in European revenue, and the Russian market margin could remain the last hope as a source of financing the gas giant, the letter also said.

Kruglov said Gazprom calculated from combined Finance Ministry drafts pertaining to taxing Gazprom in 2012-15 that the growth of tax levies on gas production will amount to an estimated 820 billion rubles (\$25.2 billion). "That amount is comparable to the annual cost of current-year investments," he wrote.

*(MT)*

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