

Gazprom's Gas Becomes More Competitive

By [The Moscow Times](#)

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Britain may receive more Norwegian gas in the 2012-2013 gas year as continental European customers take more Russian supplies, which became more competitive following contract negotiations, analysts said Monday.

European gas buyers and sellers adjust supply volumes on Oct. 1, starting the new gas year, as the winter heating season starts in Europe.

While Norwegian gas exports to continental Europe are supplied under long-term contracts that are linked to the oil price, Britain receives most of its Norwegian gas under hub market terms that are priced off Britain's National Balancing Point and have lesser binding supply obligations.

"Gazprom's discount is assumed to have a positive volume effect on exports to continental Europe because its gas has become more attractive than Norway's," said Bjorn Brochmann,

global head of gas market analysis at Point Carbon.

In several recent contractual renegotiations, Gazprom, the world's biggest exporter of pipeline gas, and Qatar, leader in liquefied natural gas exports, gave in to customer pressure and reduced their prices.

With continental Europe taking more Russian gas, Norway would redirect more gas to Britain, mostly through the Langeled pipeline, which supplies 70 million cubic meters per day, Brochmann said.

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