

Gazprom Seals 30 Year Supply Deal to Turkey

By [The Moscow Times](#)

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Gazprom clinched a long-term deal on Monday to export natural gas to private companies in Turkey, securing a growing market for the Russian gas export monopoly as it faces declines from its core consumers in the European Union.

Turkey's energy market regulatory authority gave private energy companies Akfel, Bosphorus and Kibar licenses to import gas from Russia's Western Line over 30 years.

It also granted the Bati Hatti natural gas company a license to import gas from the same pipeline for 23 years.

The four companies had previously agreed with Gazprom to import 6 bcm of natural gas a year on the Western line, which runs through Ukraine, Romania and Bulgaria to Turkey, with an annual capacity of 14 bcm.

"The deal is very important for Gazprom. Turkey has always been a significant and stable partner for us," an official for Gazprom Export, the company's export arm, told Reuters.

There has been a one-year impasse in gas trade between Gazprom and Turkish companies after Turkey's state gas company Botas did not renew an expiring 25-year contract at the end of 2011 due to a pricing dispute. Business has continued in the meantime only on a short-term basis.

Turkey, which is struggling to diversify its gas suppliers, is largely dependent on the fuel because it produces the majority of its electricity via natural gas.

Turkey is likely to overtake Britain as Europe's third-biggest electricity consumer within a decade and become an energy trading hub, capitalizing on its booming population and economy as well as its proximity to cheap natural gas resources.

Gazprom is Europe's natural gas supplier but is seeking to diversify its markets away from the European Union, which it relies on for 80 percent of its exports.

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