

Gazprom Reports 35 Percent Fall in Net Profit in the First Half of 2013

By [The Moscow Times](#)

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Despite reporting a 5 percent increase in revenue, Gazprom's net profit plummeted 35 percent to \$7.5 billion. **Maxim Stulov / Vedomosti**

Despite increasing exports to Europe and rising domestic rates, state gas giant Gazprom's net profit fell by more than a third in the first half of the year.

Experts pointed to currency fluctuations, mineral extraction taxes and a 40 percent drop in gas supplies to Ukraine as the reasons behind the fall, Kommersant reported.

Gazprom's net profit has decreased by 35 percent since January, falling to 250 billion rubles (\$7.5 billion), despite revenue growth of 5.2 percent, up to 1.9 trillion rubles, the company's financial report said.

During the same period, sales revenue fell by 0.7 percent to 1.4 trillion rubles, while production costs rose by 14 percent to 936 billion rubles.

Revenue from export sales to clients in non-CIS countries increased 7.4 percent due to higher volumes. While the company sold 7.9 percent less gas to Turkey, Gazprom exported more gas to Britain, Germany and Italy, where sales doubled between January and June.

Meanwhile, domestic gas consumption fell by a tenth, though domestic sales revenue still manage a 3.7 percent increase thanks to higher rates.

Supplies to CIS countries were lower overall, primarily due to a sharp decline in supplies to Ukraine, which fell by 39 percent in the first six months of the year. Supplies to Moldova also fell by 32 percent.

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