

# Russia to Liberalize LNG Market

By [The Moscow Times](#)

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DAEGU, South Korea — Russia expects to liberalize its liquefied natural gas, or LNG, exports from Jan. 1, and a bill will be submitted to parliament shortly, Energy Minister Alexander Novak said Wednesday.

Novak also said Gazprom and China National Petroleum Corp, or CNPC, are expected to reach an agreement on gas supplies by the end of this year.

President Vladimir Putin said earlier this month that Russia, the world's biggest energy supplier, would press ahead with opening up LNG exports in a move to meet growing demand from Asia-Pacific markets.

"The work as of today has been finalized ... It has been coordinated and agreed by all the ministries of the cabinets, and in the near future it is going to be submitted to the State Duma, the parliament of the Russian Federation," Novak told reporters in a briefing during the World Energy Congress, in South Korea.

"We expect the law to take effect from the first of January next year."

Putin has said Russia is keen to expand in the region, where gas demand is driven by China, which expects to consume up to 230 billion cubic meters of gas by 2015.

Removing restrictions on LNG exports would be a big blow to state-controlled Gazprom, which holds a monopoly on Russia's gas exports.

The prospect of an end to that monopoly has injected urgency into its talks to supply China with pipeline gas, which have gone on for more than a decade.

Last month, the two sides reached agreement on basic terms for a deal but not on price, which has been an issue for years as China demands a steep discount to prices paid by Western utilities.

Asked about a Gazprom deal to supply gas to China, Novak said: "We really expect Gazprom and CNPC to reach agreement by the end of this year."

Russian gas producer Novatek and top oil producer Rosneft have both lobbied for LNG export rights. Rosneft has agreed with ExxonMobil to build an LNG plant in the Russian Far East at an estimated cost of \$15 billion.

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