

Gazprom 2014 Budget Down 22% to \$24Bln

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Gazprom, the country's largest company, has slashed its spending plan for next year by 22 percent in comparison to this year.

It will invest 806 billion rubles (\$24 billion) under the plan, which comes after the government ordered key state-controlled companies to freeze their prices.

Gazprom announced the shrunken spending on Tuesday after the Cabinet met earlier that day to examine the numbers. Prime Minister Dmitry Medvedev warned at the meeting that the company had to fulfill its stated goals despite the austerity measure.

"Regarding the physical parameters, all that had been planned must be carried out," he said in an excerpt of the meeting's transcript that was posted on the Cabinet's website.

The company is seeking lower prices from contractors as a way to cut costs, according to a

separate statement on the website.

Next year, Gazprom is looking to drill more than 100 wells and build 1,500 kilometers of trunk pipelines and nine compressor stations, among other things, Medvedev said.

In hard times Gazprom should also adopt a tougher line about collecting debts from its customers, Medvedev said. He pointed to the impoverished republics of southern Russia as having "serious problems."

In addition to Gazprom, the government instructed its other major companies, such as electricity provider Russian Grids and oil pipeline operator Transneft, to freeze their prices next year in a bid to reverse a slide in economic growth. Economists expect that gross domestic product will not grow more than 2 percent, the worst rate since the slump in 2009.

Gazprom will not give up plans to hold a New Year corporate party, company chief Alexei Miller said.

The party will take place in Sochi on Dec. 20, in a culture center that the company built for the winter Olympics in the Black Sea resort.

"We will get together to recap the work we did for the Olympics and celebrate the New Year," he said, Itar-Tass reported.

He did not say if the employees would have to pitch in to fund the holiday, as they do at some of the other state-controlled companies.

President Vladimir Putin suggested earlier this month that amid the country's economic woes state companies should not blow their money on parties.

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