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Gazprom Captures Largest-Ever Share of European Gas Market

By The Moscow Times

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Russian gas export monopoly Gazprom set a record for its share of the European and Turkish gas market in 2013. **Sergei Porter / Vedomosti**

State-owned gas giant Gazprom captured its largest-ever share of the European and Turkish gas market last year, supplying 30 percent of the continent's needs, as compared to 26 percent in 2012.

The Russian export monopoly sent 162.7 billion cubic meters of gas westward in 2013, and beat the record market share of 27 percent it set in 2011, Vedomosti reported.

Gazprom had forecast growth in Europe, though a prospectus from last year said the company did not expect to gain a 30 percent share until 2020.

The increase — which represented a 20 percent rise in the company's European exports — was driven by high growth in Italy, Britain and Germany, which consumed 68 percent, 53.6

percent and 21 percent more gas respectively.

UralSib Capital analyst Alexei Kokin said the growth was due in part to lower gas production in Europe. In particular, Norwegian gas company Statoil reduced its output by 3 percent due to technical limitations.

The easy ride may not continue, however. Statoil is expected to raise production by 2 percent next year, and Gazprom will face continued competition from the National Iranian Gas Company in Turkey, where the Russian company's exports fell 1.5 percent.

Despite this, Gazprom expects to export a similar amount of gas to Europe next year and does not expect the total volume to dip below 150 to 155 billion cubic meters, the deputy head of the company's export department, Sergei Budzulyak, said. He added that he expects gas production in Europe and Algeria to fall in 2014.

In total, Europe and Turkey consumed 541 billion cubic meters of gas last year.
The measurement of market share excludes small European producers, whose cumulative output is insignificant.

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