

Rosneft Wants to Break Gazprom Monopoly

By [The Moscow Times](#)

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Rosneft wants to break the monopoly of Gazprom to export gas via pipelines, signaling a flare-up between powerful clans, sources said.

In a sign of Sechin's rising clout, Rosneft and Russia's largest nonstate gas producer Novatek have already secured rights to export seaborne liquefied natural gas, reversing a 2006 law that gave Gazprom a monopoly on gas exports.

Gazprom still holds the exclusive rights to ship Russian gas abroad via pipelines, which connect vast Siberian gas fields with European clients. It meets 30 percent of gas demand in the European Union.

Rosneft in particular wants access to Gazprom's "Sila Sibiri," or Power of Siberia, pipeline, designed to carry gas to China at a rate of 38 billion cubic meters a year, sources familiar with the matter said Friday.

Gazprom has yet to sign a final deal with China on the pipeline and has delayed its launch to 2020 from 2018 expected earlier.

"It is unfair that the pipeline is designated only for one company," a source at Rosneft said.

In its struggle against Gazprom, Rosneft in January hired television presenter Mikhail Leontiyev — who once called Gazprom CEO Alexei Miller a "shell-shocked maniac" for downplaying the importance of U.S. shale gas — to head its public relations office.

"We believe there are some factors restricting the gas potential of Russia, which, due to increasing competition from international majors, requires that laws be modernized," Rosneft's spokesman said, without elaborating.

Gazprom declined to comment.

Rosneft has staked a lot on developing its gas business. Thanks to new acquisitions, the company has seen its gas output trebling over the past year to 42 billion cubic meters — enough to meet gas demand in a country the size of France.

Sechin, unlike Gazprom, has successfully clinched deals to increase oil supplies to China, which may see Rosneft tripling its crude exports to Russia's neighbor later this decade.

The Rosneft source said the company is eyeing natural gas supplies to China and that around 1 trillion cubic meters of gas is available for the company in East Siberia.

A government source confirmed Rosneft has been actively lobbying for permission to export pipeline gas to China.

"They have sent different letters and appealed to the government ... I think they will make a public statement [on gas exports] soon," the source said.

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