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Turkey May Slash Russian Gas Imports – Reuters

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Russian LPG exports to Turkey could fall to 0.8 million tons in 2016 from 1.1 million tons this year.

Turkey is considering slashing its import of Russian liquified petroleum gas (LPG) by as much as 25 percent next year, Reuters reported Wednesday — a plan that would hit a key Russian export amid souring relations between Moscow and Ankara over the downing of a Russian warplane.

Russia was the second-largest LPG supplier to Turkey in the first nine months of this year, accounting for 28 percent of the country's total LPG imports, according to Reuters.

Russian LPG exports to Turkey could fall to 0.8 million tons in 2016 from 1.1 million tons this year, an unidentified source with an international trading company was quoted by Reuters as saying.

If Russian supplies are reduced, U.S. LPG exporters could make up for the shortfall, increasing

the U.S. share in Turkey's LPG imports to around 12 -14 percent next year, from the current 6 percent, an unidentified source at a Turkish import company was quoted by Reuters as saying.

Algeria and Nigeria could also help make up for the shortages, the report said.

Russian President Vladimir Putin has warned of dire consequences for Russian-Turkish relations for the Nov. 24 downing of the warplane. Moscow has halted Turkish food imports, told Russian tour operators to stop offering travel packages to Turkey, and placed restrictions on Turkish companies operating in Russia.

But punitive measures against Turkey that Putin outlined in a recent decree did not include slashing fuel exports — a key source of revenues for Russia, whose economy is in a deep recession.

Turkey accounts for 21 percent of Russia's total LPG exports, Reuters reported. Securing alternative markets for LPG and building additional infrastructure may prove difficult for Russia.

Switching to other suppliers may also prove more expensive for Turkey, but Turkish companies are already looking into alternative sources, an unidentified trader in the LPG market was quoted by Reuters as saying.

LPG is used in households and powers about 40 percent of Turkish cars — the largest share in the world, Reuters reported.

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