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Gazprom Pushes Eastward Amid Record Sales in Europe

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Russia's energy giant Gazprom has announced plans to expand its profile in Asia. This strategy comes at a time when the company is enjoying record profit's in Europe.

During a presentation at the Eastern Economic Forum in Vladivostok, Gazprom's head Alexei Miller noted that the company had expanded European exports by 10 percent between January and August 2016. In addition, the energy giant's monopoly share of the European market reached 31 percent.

Miller also signaled his intention to pivot the firm's strategy eastward. Gazprom has signed important agreements with the Asian market. For example, the "Power of Siberia" contract signed in May 2014 is projected to supply 38 billion cubic meters of gas to China each year. This still lags behind Germany's 45 bcm from Russia each year. The European state remains Gazprom's biggest partner.

"In the short term [in Asia] Russian gas exports to the east will be comparable with the volume of gas exports to Europe," said Miller. Gazprom's head also announced plans to construct a helium processing plant in asia, as well as increase its export of chemical products.

LNG is another vital component of the company's Asian strategy. According to Miller, Gazprom plans to increase the production capacity of the "Sakhalin-2" plant. This facility produced 10.8 million tons of liquified gas was produced in 2015.

Other speakers at the forum, including BP's Bob Dudley, noted that Vladivostok is favorably located for Eastern cooperation. Dudley noted that the city acts as a "staging post" for Siberian resources to be effectively exported globally.

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