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Russian Energy Giant Gazprom Posts Big Drop in Profit

By AFP

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Amur Gas Processing Plant. **Gazprom**

Russian energy giant Gazprom, whose gas exports have plummeted in the wake of the Ukraine conflict, said Tuesday its net profit fell by 41% last year due to a tax increase.

The company reported a profit of 1.2 trillion rubles ($15 billion) for 2022, down from 2.1 trillion rubles in the previous year.

In a statement carried by Russian news agencies, the group said "profit margins were impacted by an increase in tax payments in the second half of the year."

The board said the company should withhold dividend payouts, the statement said.

Western sanctions have heavily impacted the state company headed by Alexei Miller, a close ally of President Vladimir Putin.

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In May, the Gas Exporting Country Forum reported that European imports of pipeline natural gas from Russia had decreased by 55% in 2022.

With most of the European market off limits — apart from liquefied natural gas that Europe is still buying — Gazprom has sought to pivot toward Asia.

China has emerged as a key economic partner for Russia since the West introduced a series of unprecedented sanctions to punish Moscow for its military intervention in Ukraine last year.

In March, Gazprom said it had reached a daily record in gas volumes supplied to China through the Power of Siberia pipeline.

Deliveries via the pipeline also reached an all-time high of 15.5 billion cubic meters in total last year.

Re-orienting gas exports is a lengthy process that involves building costly infrastructure.

Gazprom is expecting to start building the Power of Siberia 2 pipeline in 2024.

Gazprom, which employs around half a million people and has the biggest gas reserves in the world, is one of the key drivers of Russian growth.

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