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# Russia's Gazprom Plans Investment Cut as Exports Drop

By AFP

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Amursk gas processing plant. **Gazprom**

Russian state-owned energy giant Gazprom said Thursday it planned to cut investment spending by a fifth next year amid dwindling gas flows to Europe and a heavy tax burden.

Since Russia launched its assault on Ukraine in February 2022, European countries have sharply cut gas imports from Russia in a bid to curb Moscow's ability to fund the conflict.

The Kremlin has relied on oil and gas export revenues to fund its offensive in Ukraine, and last year announced massive tax hikes on the industry to cover its budget.

While Gazprom has shifted some of its exports to China and Turkey, it slashed its gas production by a quarter in the first half of this year as it struggled to make up for lost sales.

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Its investment program for next year, spent on energy projects and infrastructure, will drop about 20% year-on-year to 1.57 trillion rubles ($17.8 billion), the company said.

"The approved financial plan will ensure Gazprom covers its liabilities without a deficit and in full," it said in a statement.

Gazprom's losses could reach 1 trillion rubles in 2025 due in part to the heavier tax burden, ruling party lawmaker Pavel Zavalny warned earlier this month.

The company posted a profit of 296 billion rubles in the first half of this year, a fraction of the 2.5 trillion rubles in profits it earned in the first half of 2022.

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