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Russia's Power of Siberia 2 Deal With China Would Take a Decade to Boost Gas Exports – Reuters

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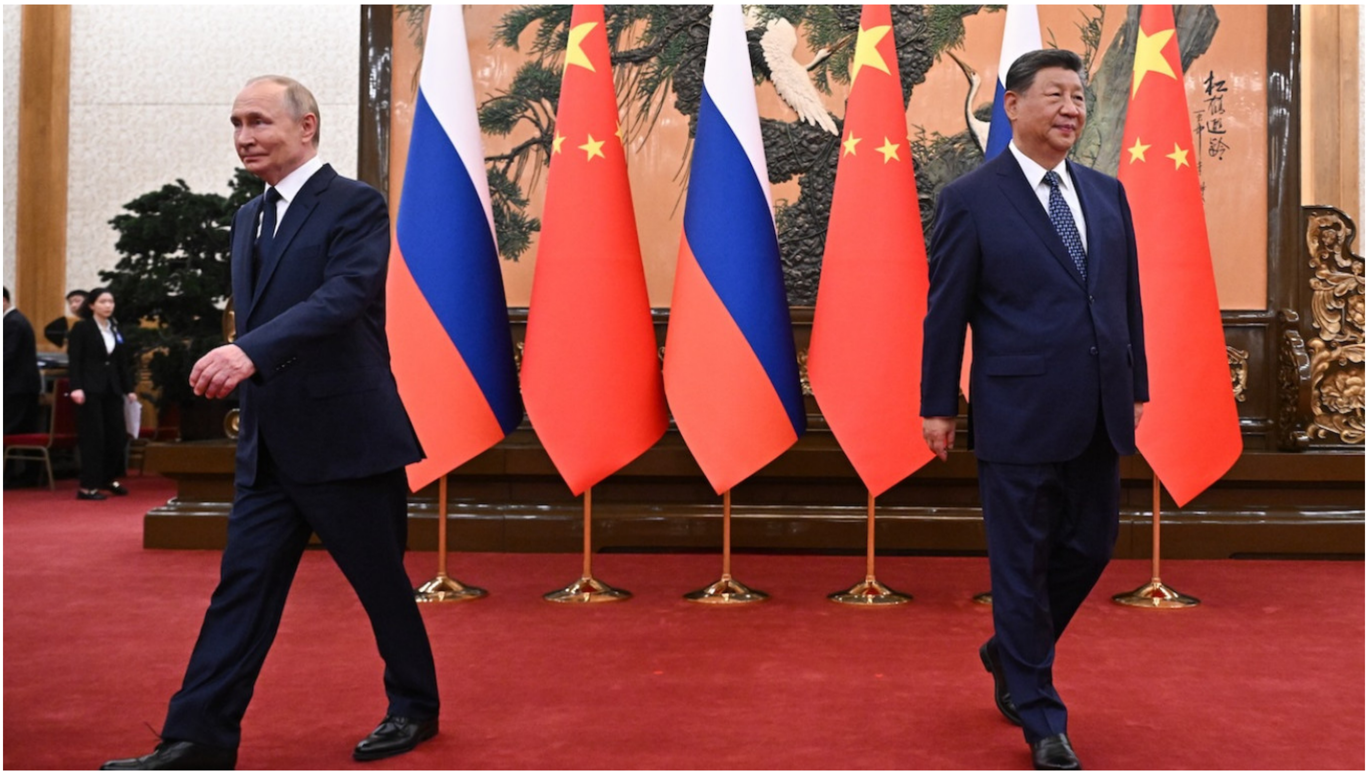

Russia will need at least a decade to significantly increase its gas exports to China via the planned Power of Siberia 2 gas pipeline, Reuters reported Tuesday.

The long-delayed, multibillion-dollar project is part of Russia's effort to reorient its gas exports, a key driver of revenue, toward Asia after losing many of its Western buyers due to the invasion of Ukraine.

Russian state energy giant Gazprom announced it had signed a "legally binding" agreement with Beijing on Power of Siberia 2 during President Vladimir Putin's visit to China last month.

But the two sides were unable to agree on gas prices, investment conditions or the timeline for launching deliveries, Reuters reported.

Even if a deal is finalized next year, construction would take at least five years and another five would be needed to reach full capacity, two industry sources told Reuters.

Another source said Gazprom does not expect the pipeline to reach half of its capacity before 2034-35, assuming gas flows begin in 2031.

Gazprom currently supplies China with 38 bcm of gas annually through Power of Siberia 1, which began operating in 2019, and plans to start deliveries via a separate Far Eastern route in 2027 that would add another 12 bcm a year.

Power of Siberia 2 is expected to deliver up to 50 billion cubic meters (bcm) per year to China once completed.

Related article: What the Power of Siberia 2 Deal Really Means for Russia and China

Russia's gas exports to China are significantly cheaper than those to other foreign buyers.

According to Moscow's Economic Development Ministry, China is paying around $248 per 1,000 cubic meters this year — 38% less than the $402 paid by Gazprom's other clients outside the Commonwealth of Independent States.

Next year, the price for China is projected to fall to $240, about 37% below the average export price of $380.

Sales to China now cover only about one-fifth of Gazprom's former European exports, which have plunged twelvefold since Russia's invasion of Ukraine.

In the first half of 2025, Gazprom shipped just 8.8 bcm of gas to Europe, with total annual exports expected to barely exceed 16 bcm — the maximum capacity of the TurkStream pipeline's European branch.

That would mark the lowest level of Russian gas supplies to Europe since the early 1970s.

Before the invasion of Ukraine, Gazprom's exports to Europe peaked at around 200 bcm a year.

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