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Despite the crisis, Gazprom will increase its investments by more than US$3bn

On 9 September Gazprom revised its budget for the year 2010. Despite pessimistic forecasts for its income (compared to the initial plans, the predicted fall will reach around 4% this year), the monopolist intends to increase its investment programme by 13%. Most of the money will be allotted to infrastructure and extraction projects. These changes indicate that new gas pipeline projects remain a priority for the company.

In the current version of Gazprom's 2010 budget, the forecast of exports to Europe was reduced from the initially predicted 161 bcm to 140-145 bcm. This would mean another year of Gazprom's exports falling (in the crisis year of 2009, sales of Russian gas in Europe fell by nearly 10% compared to the previous year, from nearly 168 bcm to 153 bcm). As a result, Gazprom's income in its new financial plan will be 4% lower than previously planned. Despite this, the company intends to increase its investment programme for this year by over US$3bn. The statement from the company did not include any specific information on how much would be spent on the individual investments. The most important of the definite plans are the new Russian transport routes for gas to the Nord Stream pipeline (including from Gryazovets to Vyborg), as well as expenditure to stop the fall in extraction from the main Western Siberian deposits (Urengoyskoye, Yamburskoye and Medvyezhe). The unfavourable conjuncture on the gas market has meant that the company has postponed (at least for this year) the financing of work on new deposits, on which its ability to keep exporting in the longer term (including making the Yamal deposits and the Shtokman deposit in the Barents Sea profitable) depends.