

Gazprom Agrees China Deal Price

By [The Moscow Times](#)

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Gazprom and China have agreed on a price and aim to resolve outstanding issues and sign a supply contract by mid-year, deputy chief executive Alexander Medvedev told Reuters in an interview at a gas storage conference in Salzburg, Austria, on Thursday.

The company also raised its export outlook to 155 billion cubic meters of gas to Europe this year, up from a previous forecast of 151.5 bcm, Interfax quoted Medvedev as saying.

Gazprom's main export market is the European Union, where it hopes to increase sales as key consumer countries consider alternatives to nuclear power after the Fukushima nuclear disaster in Japan.

Last week, Gazprom, which until Fukushima was facing pressure from weak spot markets and rising liquefied natural gas into its key market, said deliveries in May alone were up 28 percent from last year and delivery volumes were in line with winter levels even as spring weather set in.

Gazprom has seized on spot price increases in Europe and improving economics of deliveries under its long-term contracts as support for its opposition to increased spot pricing. Redirection of LNG volumes to Japan has also helped Gazprom's case.

(Bloomberg, Reuters)

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