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Export Strategy of PJSC Gazprom

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Аннотация

В статье рассматриваются особенности экспортной стратегии ПАО «Газпрома». Анализируются основные формы взаимодействия компании в различных внешних условиях. Приводятся информация о ключевых контрагентах компании.

Ключевые слова: экспортная стратегия, ПАО «Газпром», долгосрочные контракты, газовые спот-сделки

Abstract

Features of the export strategy of PJSC Gazprom are presented in the article. The main forms of company interaction in various external conditions are analyzed. The information about key counterparties of the company is given.

Keywords: Export Strategy, PJSC Gazprom, long-term contracts, gas spot transactions

At the present stage, Russia is one of the largest exporters of raw materials in the world. Of course, a significant part of Russian exports is concentrated around hydrocarbons, namely, oil and gas. Producing about 1.5 billion tons of oil equivalent, it exports more than 40% of energy resources, which is 16% of the global “interregional“ energy trade”. Over the period of their existence, Russian companies have become accustomed to believing that their positions in the oil business are stable, because such large reserves make it possible to smooth out emerging risks in the process of doing business. Despite the huge reserves of energy, the Russian fuel and energy complex is characterized by low competitiveness. It involves the following stages: reproduction of the resource base, extraction, transportation, processing and sale both in the domestic and foreign markets. In this connection, access to prospective offshore fields for private oil and gas companies is closed. Thus, the overall strategy of globalization of its activities is diluted by the objective need to find sources of its growth outside the Russian Federation.

Through the process of expansion into foreign markets, domestic oil and gas companies use different strategies. By and large, they have many similar elements with the strategies of the world's leading oil and gas companies and new players from industrialized countries. To be fair, it should be noted that in terms of the configuration of these elements, their sequence, methods of using foreign strategies, Russian oil and gas companies have a special feature. The peculiarity lies in the nature of their formation as corporate structures, as well as their ownership structure and the nature of corporate governance. In recent years, the process of developing strategies primarily takes into account the consequences of the global financial and economic crisis, namely, the recession.

PJSC Gazprom is the legal successor of the property rights and obligations of the State Gas Concern Gazprom, including its rights to use land, subsurface resources, natural resources, as well as rights and obligations under the agreements concluded by the concern. Gazprom today has the largest natural gas reserves in the world. Its reserves are estimated at 17% of the world and 72% of the Russian. The company owns the world's largest system of gas pipelines, with a length of 170.7 thousand km. As it developed, Gazprom gradually developed a global strategy that was repeatedly revised and adjusted due to objective economic and political events.

Through the diversification of sales markets, guaranteeing the reliability of energy supplies, the growth of company performance indicators and the practical use of scientific and technological potential, the establishment of PJSC Gazprom as a leader among global energy companies is its strategic goal.

One of the peculiarities of Gazprom and at the same time its advantage lies in the fact that it combines the functions of a supplier and producer of energy resources, while having a powerful resource base and an extensive gas transmission infrastructure.

The most important task in the marketing strategy of Gazprom in the domestic market is to ensure reliable gas supply to all consumers while increasing the profitability of sales.

The state exercises constant control and regulation of the price of gas produced by the Gazprom group and supplied to Russian consumers. Thus, gas prices in Russia remain the lowest compared to European countries and the United States.

Thus, the company provides serious support to the development of the Russian economy, providing gas at affordable prices to both the population and industry. To the fullest extent, the demand of consumers can be met by selling gas with the help of exchange technologies. At present, PJSC Gazprom is working on the organization and optimization of gas exchange trading in the domestic market.

Gazprom's export strategy is based on a system of long-term "take or pay" contracts with reference to the contract price of gas to the price of petroleum products as an industry standard, providing a predictable basis for planning a normal investment cycle. The fundamental element of the Company's export strategy is the principle of preserving a single export channel in accordance with the 2006 Federal Law "On the Export of Natural Gas". Legislative consolidation of the exclusive right to export gas for LLC Gazprom Export confirms once again the status of Gazprom as a reliable supplier of resources.

Single export channel

The single export channel serves as the main element of Gazprom's export strategy. Gazprom has the exclusive right to export gas through pipelines, in accordance with the Russian law on gas exports. The law provides for a coordinated, balanced production and marketing policy, which legally guarantees the reliability of gas exports.

System of long-term contracts

The Corporation provides gas to the countries of Central and Western Europe, focusing on previously concluded long-term contracts, the term of which does not exceed 25 years. Usually, this is based on intergovernmental agreements. Such long-term contracts guarantee reliability and stability of supply. They guarantee the exporter the recoupment of multi-million investments, which are necessary for the start of large oil and gas projects, and the importer - a guarantee of uninterrupted and stable gas supply within a long period of time.

At present, long-term contracts of Gazprom guarantee the company export 4 trillion cubic meters. m of gas to foreign countries for the period specified in them. The main features of such contracts are:

- the price formula in which the automatic change of coefficients is incorporated when the price of petroleum products changes. It takes into account prices for the previous 6-9 months;
- conditions that do not allow unilaterally terminating the contract. These conditions do not include cases of prolonged force majeure;
- "take or pay" terms, which apply to a significant contractual amount, provide that the buyer pays volumes that are not selected for the year and can subsequently be selected with an appropriate surcharge after the delivery of the minimum annual volumes stipulated by the contracts in the relevant year.

Long-term contracts are essentially service contracts that provide the buyer with daily flexibility, uneven supply of the year and the seller's obligation to replenish the buyer in subsequent volumes previously paid for by him under the terms of "take or pay". In addition,

long-term contracts guarantee customers the supply of gas for a long period. Gas sold on spot markets is, in its essence, a different product and its prices cannot be compared with contractual ones.

But it does not reduce the relevance of contracts with petroleum product indexation. It is a unique way of long-term business planning, which is of interest to the buyer and seller of gas. It ensures the continuity and sustainability of the investment cycle in the industry along all verticals - from the well to the end user. Petroleum indexing is not a discovery of the 21st century. It has more than 40 years of use in the global gas market and has been used by other large companies. At the present stage, oil products in the gas formula play the role of a universal deflator. They allow the price of gas not to break away from the prices of other commodities.

European gas market

The dynamics of Russian gas supplies to the European market depends on a number of factors, including economic growth rates, the dynamics of domestic gas production, prices for other energy sources — especially in the power industry — and the cost of gas in other world markets.

The largest counterparties of Gazprom Group in Western Europe are such companies as E.ON Ruhrgas, Wingas, WIEH (Germany), ENI (Italy), Botas (Turkey), PGNiG (Poland), GDF SUEZ (France), Panrusgas (Hungary), RWE Transgas (Czech Republic), SPP (Slovakia), EconGas (Austria) and GasTerra (Netherlands).

Work on the European market under liberalization

The processes of liberalization of the gas segment of the market in Europe provide new opportunities for Gazprom Group in terms of increasing the efficiency of Russian gas exports. This is possible due to additional revenue from the sale of natural gas to target consumers: the Czech Republic, Great Britain, Italy, France, Austria and Slovakia.

Gazprom also actively participates in gas spot transactions in Europe. Gazprom Marketing & Trading Ltd., which are members of the Group, carry out gas operations on the trading floors of Great Britain, Belgium, the Netherlands and France, selling on a spot-market basis some of the volumes of Russian gas, as well as volumes purchased in Europe. In addition, operations are carried out on the stock market of electricity, the market of licenses for the emission of greenhouse gases, as well as derivatives on them. Gazprom Marketing & Trading is a member of such trading platforms as National Balancing Point, Powernext, Nordpool, Z-Hub, TTF, PEG, European Energy Exchange, European Energy Derivatives Exchange.

Currently, to implement the export strategy, Gazprom is actively engaged in training specialized personnel for the industry, makes significant contributions to R & D, and the developed system of key performance indicators of the company allows to plan and ensure cost savings in projects, increase labor productivity and the volume of recoverable hydrocarbons. The activity of the oil and gas industry in Russia and Gazprom in particular is directly dependent on the emerging oil prices.

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