
KAZAKHSTAN TO START GAS DELIVERIES TO CHINA

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Central Asias second-largest natural gas producer, Kazakhstan, is planning to export five billion cubic meters (bcm) of gas to China. Kazakhstans largest gas supply company, KazTransGas JSC, and the largest oil company in China, PetroChina Company Limited, signed a deal on October 2.

Diversification of transit and export routes for transportation of Kazakhstani gas, as well as increase in export volumes of blue fuel are important strategic tasks set by the head of state, said Kairat Sharipbayev, KazTransGas board chairman, during a discussion of Kazakhstans gas exports to China with representatives from one of the largest oil companies in the world, PetroChina, according to a statement issued by KazTransGas.

With the worlds 15th largest proved natural gas reserves, Kazakhstan intends to strengthen its \$137 billion economy by increasing its gas exports. Astana already sends 13.7 bcm of gas abroad, and the additional five bcm it will send to China is expected to net the Kazakhstani economy an additional \$1 billion in income.

Kazakhstan intends to diverse its natural gas exports in order to reduce dependence on Russia for its exports, Nurzhan Zmabekov, a political and economic analyst at Georgetown University, told Caspian News. The Kazakh government wants to maximize revenues for better economic growth.

Chinas growing economy means a large appetite for energy imports. The country ranks number five globally in gas imports, purchasing about 75 bcm per year, according to US government statistics.

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The basis for the Kazakhstan-China gas pipeline was formed in 2007, when Chinese President Hu Jintao and Kazakhstan President Nursultan Nazarbayev signed an agreement on the construction of the Kazakhstan-China gas pipeline. Asia Gas Pipeline LLP is responsible for the project's implementation and management.

Kaynak/Source: