



LATEST **d be worse than we thought' April 12, 2016 - Grim forecasts for Africa, global economies April 11, 2016 - China consumer prices up 2.3% in March**

Russia, India to ink \$40 bn gas deal: Reports

August 5, 2014, 6:28 am

Russian President Vladimir Putin and Indian Prime Minister Narendra Modi are expected to announce a massive natural gas deal during their summit later this year, Indian media reports said Monday.

Russian and Indian officials are negotiating a \$40 billion gas pipeline project from Russia to India, **oil ministry officials told Indian daily Hindustan Times**.

"Russia so far has directed majority of its oil and gas supplies to the West... however, the scenario may be quiet different in the coming years especially in the wake of its gas pipeline to China and the one now proposed till India," an Indian government official said.

Russia is a source of a third of all natural gas used in Western Europe. However, with the economic sanctions imposed by the US and the EU over the Ukraine crisis, Russian authorities are keen to diversify its gas routes.

Moscow and Beijing struck a \$400 billion deal earlier this year under which Russia will supply 38bn cubic metres (bcm) of gas to China over 30 years.



The planned Indo-Russian gas deal could provide further support to a beleaguered Russian economy [PPIO]

Russia will also supply 46 million tonnes of oil to China each year in the next 25 years, according to recent deals signed by President Vladimir Putin and his Chinese counterpart Xi Jinping.

Even as the US and EU try to isolate Russia on the Ukraine issue, Beijing and other BRICS capitals have been cementing their business ties with Moscow.

In 2013, Xi and **Putin** have overseen enormous Sino-Russian joint ventures including **a massive oil deal** with state-run Rosneft, Russia's largest oil company striking agreements to almost triple oil supplies to China in coming years from the around 300,000 barrels per day (15 million tonnes a year) it ships there currently.

Bilateral trade between Russia and China has grown to reach \$90 billion in 2013.

The planned Indo-Russian gas deal could provide further support to a beleaguered Russian economy.

India's state-owned energy company GAIL (India) Ltd. will participate in the planned Indo-Russian project, Indian officials have said.

Meanwhile, the new Indian Prime Minister, **who is being courted aggressively by US** and its ally Japan, after his massive win in the Indian elections this summer, said in Fortaleza during a meeting with Putin that **Russia is India's "greatest friend"**.

"If you ask anyone among the more than one billion people living in India who is our country's greatest friend, every person, every child knows that it is Russia. Everyone knows that Russia has always stood side by side with India during the toughest moments and without demanding anything in return," **Modi told Putin**.

Russian President Vladimir Putin will visit India at the end of 2014, presidential aide Yury Ushakov confirmed last month.

"Vladimir Putin will pay a customary visit to India in December – now it's our Indian partners' turn to receive us," Ushakov said.

TBP