

## Macro Roundup Article

**Headline:** [Russia-China Gas Pipeline Deal Stalls Over Beijing's Price Demands](#)

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**Tweet:** Russia's effort to conclude a major gas pipeline deal with the PRC is running into obstacles as Beijing is demanding a price close to Russia's heavily subsidised domestic price.

**Summary:** Beijing's tough stance on the Power of Siberia 2 pipeline underscores how Russia's invasion of Ukraine has left Putin increasingly dependent on Xi Jinping for economic support. People familiar with the matter said China had asked to pay close to Russia's heavily subsidised domestic prices and would only commit to buying a small fraction of the pipeline's planned annual capacity of 50bn cubic metres of gas. Before the war in Ukraine, Gazprom relied on selling gas to Europe at high prices in order to subsidise Russia's domestic market. China already pays Russia less for gas than to its other suppliers, with an average price of \$4.4 per million British thermal units, compared with \$10 for Myanmar and \$5 for Uzbekistan, the CGEP researchers calculated from 2019-21 customs data. Gazprom's exports to Europe fell to 22 bcm in 2023 from an average 230 bcm a year in the decade before the full-scale invasion of Ukraine.

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