

Year 2008 marked a breakthrough in the development of the European gas market. The financial and economic crisis that spilled over from the United States caused a sharp decline in demand for natural gas. Supplies of liquefied natural gas destined for U.S. were diverted to Europe after the U.S. experienced an upsurge of shale gas extraction using the new hydraulic fracturing technology which allowed for natural gas self-sufficiency. During the same period the so-called Third Energy Package in the European Union was adopted in 2009. EU continued liberalization of its gas market and increased pressure on ownership unbundling in the gas industry.

Gazprom's response to this new situation and its efforts to adapt are the research subject of this thesis. It is trying to figure out how successful Gazprom was between years 2008-2012 in applying its strategies. It also stands to verify hypothesis that Gazprom had underestimated the depth of the changes occurring and based its response on false assumptions. Hence it also evaluates whether its economic position deteriorated in the period examined. Included in the research is the fact that in these years the situation has also evolved in the domestic market in Russia. Gazprom has made efforts to build a stable profit base in Russia, but has struggled to do so.