

Public diplomacy in Russia – EU dialogue

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Universitetskaya Square, Voronezh



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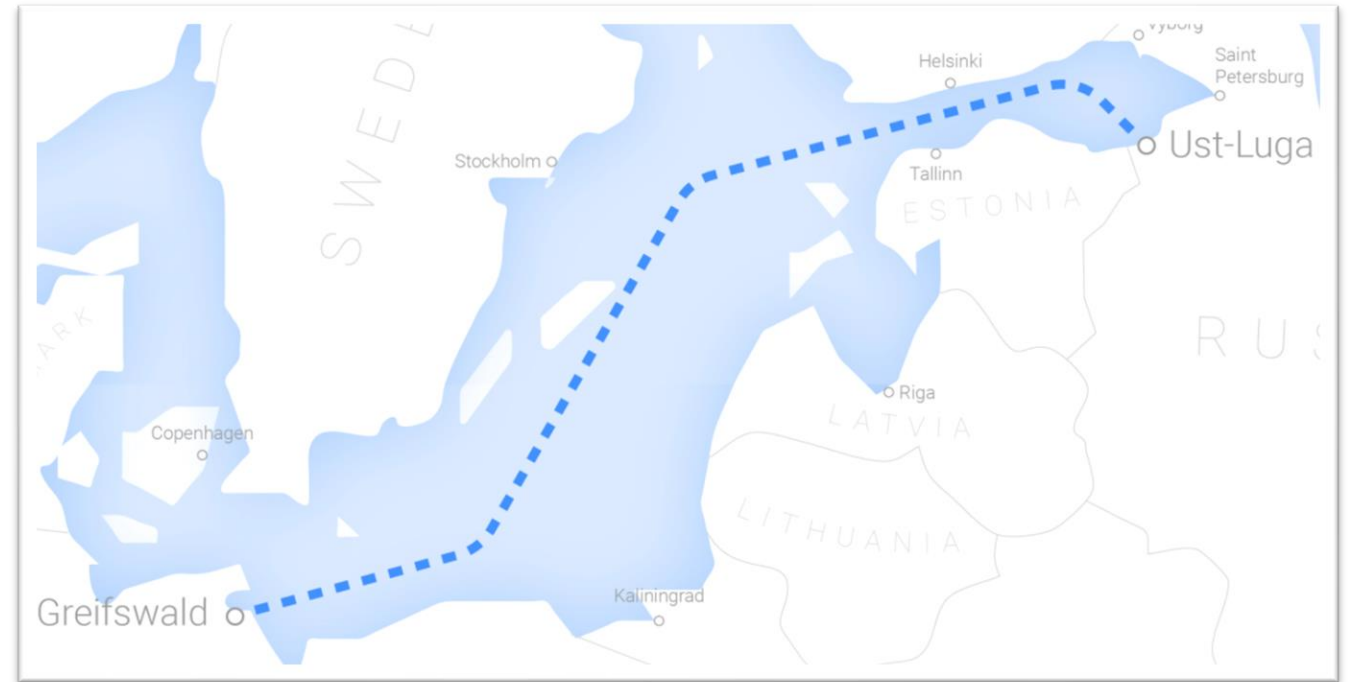
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NORD STREAM 2

A new export gas pipeline running from Russia to Europe across the Baltic sea

- 1, 200 km
- 55 bcm of gas per year capacity of two strings
- operator: Nord Stream AG



Source: Gazprom, [Nord Stream 2 \(gazprom.com\)](http://gazprom.com)

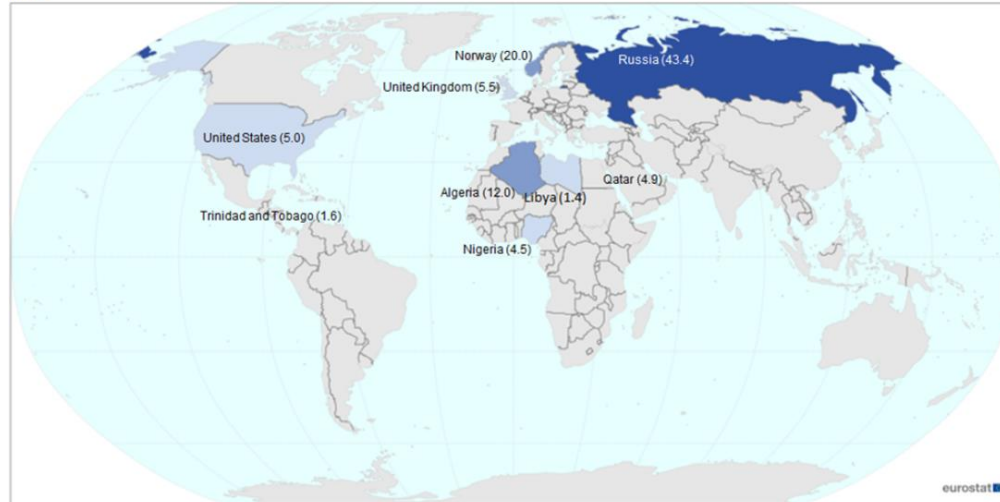


General overview

- › Although the Green Deal envisages a carbon-neutral Europe by 2050, natural gas remains a key part of the energy mix as coal is phased out and renewable energy is not yet ready to fully take up the slack
- › EU domestic gas production is fast declining, and there is not enough gas at affordable prices from alternative suppliers to replace Russian production (Source: EPRS, 2021)
- › Total energy supply by product (EU, Eurostat 2019)
 - › Solid fossil fuels – 11.9%
 - › Natural gas – 23.7%
 - › Oil and petroleum products – 32.6%
 - › Renewables – 16.2%
 - › Others – 13.2%

Main EU trade partners

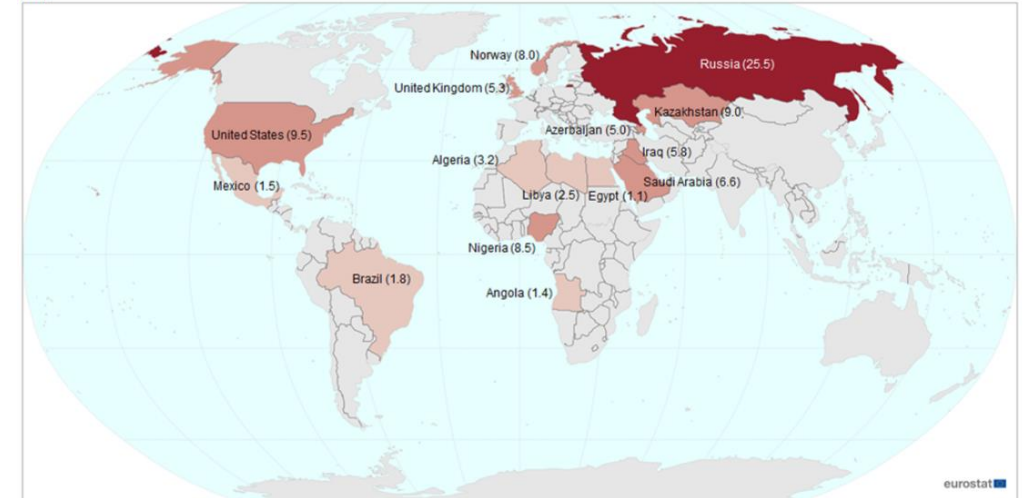
Main extra-EU partners for imports of natural gas, 2020 (%)



Share by partner
 < 10
 10 - < 20
 20 - < 30
 >= 30
 Data not available

Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
 Cartography: Eurostat - IMAGE, 06/2020
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 Eurostat Comext

Main extra-EU partners for imports of petroleum oils, 2020 (%)



Share by partner
 < 5
 5 - < 10
 10 - < 15
 15 - < 20
 >= 20
 Data not available

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 Source Eurostat Comext

Project Pros and Cons

PROS

- › EU's growing demand for gas import
- › Energy sources diversification
- › Energy routes diversification
- › Cleaner and cheaper energy source
- › Opportunity for producing grey and blue hydrogen
- › Main backers : Germany, Austria

CONS

- › Environmental impact (Kurgalsky nature reserve, Natura 2000 sites in Germany)
- › Contradicts to EU climate goals
- › Decline in gas transit revenues of some member states
- › main opponets: Baltic states, Poland,
- › Non-EU: US, Ukraine

Conclusions

- › economic efficiency of the project – Nord Stream 2 is 'new' pipeline – shorter route and cheaper gas transit
- › Expected cheaper gas prices for the consumers – due to lower operation costs and higher gas supply
- › Every project has some pros and cons, but it seems now that benefits of the project excess the costs and project shall contribute to mutual built-up of trust and overall improvement of relations between the EU and Russian Federation

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Thank you for the attention