

# **Problems of Delivering Pipeline Gas to Europe under Conditions of Western Sanctions**

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**Abstract**—In this paper, the authors examine the problem of ensuring the security and protection of Russian energy supplies to the European market, which is relevant for both Europe and Russia. The authors focused on the analysis of Russian supplies in the energy sector of the European economy in connection with the implementation of the ambitious gas transportation projects "Nord Stream 2" and "Turkish Stream". The purpose of the publication is the accentuation of the advantages of Russian natural gas supplies for Europe, taking into account modern global economic processes and increasing competition in the energy market. Most countries in the world do not have their own sources of energy in sufficient quantities. For example, the European Union, together with Norway and Switzerland, accounts for almost 17% of global energy consumption, but EU countries do not have large energy deposits. They satisfy the deficit of energy carriers through imports. The European Union imports 82% of consumed oil and 57% of consumed natural gas. It is expected that in the next 25 years the share of imported oil will increase to 93%, and the share of imported gas - up to 84%. Experts of the European Commission on Energy forecast an increase in imports of energy carriers to 65% in 2030 [1]. In conclusion, the authors claim that the implementation of Russian energy initiatives in the European economy and the practicality of European importers have a positive effect in order to follow their own economic interests if they have made political decisions in the field of energy consumption management. The publication is prepared using actual facts and includes a critical analysis of the problems.

**Keywords**—energy resources market; gas transport flows; business competition

## I. INTRODUCTION

The modern world economy still consumes an astronomical amount of oil and gas, despite the use of biofuels, solar energy and other high-tech advances in energy, achieved by the world community in recent years. The total

consumption of only five industrialized countries in the world exceeds 50 billion barrels of oil per year. According to the International Energy Agency, the share of world energy sources consumed is as follows: oil - 179 EJ exajoules, natural gas - 116 EJ, nuclear fuel - 27 EJ [1]. Therefore, oil and natural gas remain the main sources of energy.

The largest energy suppliers for the European Union are currently: Russia, Norway, the Middle East (Qatar, Saudi Arabia), North Africa (Algeria, Libya), as well as Turkey. It should be noted that the optimality of the price-to-consumer ratio of the product to the consumer for the European Union is not the same. For example, Norwegian natural gas, despite relative proximity, is more expensive because of the need to liquefy it for transportation. In addition, according to calculations by geologists, Norwegian natural gas can be completely depleted by 2020 [2]. Natural gas from the Middle East and North Africa is transported to Europe also in a liquefied condition with the help of a specialized tanker fleet, which also provides additional costs and increases the cost of the supplied gas. In addition, it is necessary to recognize political instability in the countries of the Middle East and North Africa, which threatens the security and security of supplies from these regions.

Under these circumstances Russia has strategic advantages over other suppliers of natural gas to Europe. In its favor other factors work, including:

a) as to natural gas reserves, the Russian Federation ranks first in the world - it has almost a third of the world's reserves, more than 46.5 trillion cubic meters;

b) our country has a network of branched gas pipelines, including: Urengoy-Pomary-Uzhgorod with a capacity of 32 billion cubic meters per year, "Yamal-Europe" with a capacity

of 30 billion cubic meters per year, Nord Stream with a capacity of 55 ml cubic meters per year, etc. [3];

c) Russian transport communications provide a relatively low price of natural gas supplied. For this and other reasons, Russian pipeline gas costs much lower than that supplied from Qatar or Norway. So, the price for natural gas from Russia for the Baltic States and Poland was in the range of \$ 237-242 per thousand cubic meters, and from Qatar - \$ 319, and from Norway - \$ 350 [4].

As for the reliability and stability of natural gas and oil supplies from Russia to Europe, there were no events related to the total violation of the treaty at all times of Soviet-Russian-European relations, which confirms Russia's reputation as a reliable energy supplier.

Thus, these and other specified circumstances allow Russia to provide a stable position in the European energy market. Today, the European Union countries at the expense of Russian imports cover 40% of their needs for natural gas and 32% of the requirements for crude oil [5]. Thanks to the uninterrupted supply of energy from Russia, according to Gazprom CEO A. Miller, stable operation of up to 60% of ferrous metallurgy enterprises, 55% of chemical enterprises and 25-30% of European power plants is ensured [6]. Thus, Russia, as a reliable supplier of energy resources, is now very much needed by Europe, and therefore, the countries of the EU, despite Western sanctions initiated by the United States, continue to cooperate with our country.

In turn, the European energy market is also needed in Russia. According to estimates of specialists, the sale of oil and natural gas in Europe brings to our country at least \$ 350 billion annually. Therefore, the preservation and augmentation of the volume of hydrocarbon exports to the EU countries is of great importance for filling the state budget, considering that almost half of the federal budget consists of revenues from the sale of raw materials.

With the growing needs of European countries for energy consumption, Russia is ready to increase the volumes of oil and gas supplies in this region. This is stated in the Energy Strategy of Russia, approved for the period until 2030. Therefore, the maintenance and expansion of energy traffic to Europe is viewed by the Russian side as an important factor of national development and at the same time as a way to increase competitive advantages in the global energy market.

The main instrument for the implementation of Russia's energy policy in the European direction have always been and still are gas pipelines much of which was built under the Soviet regime. For example, in 1967 the first main gas pipeline from the USSR to Europe through Ukraine was built and put into operation, which was named "Valley - Uzhgorod - Western border". Then the main gas pipeline "Orenburg-Western Border of the USSR" with a length of 2750 km was built; it was built in 1975-1979 by the Soviet Union, together with other countries of the Council for Mutual Economic Assistance - Bulgaria, Hungary, the GDR, Poland, Romania and Czechoslovakia to provide the development of the Orenburg gas condensate field. The gas pipeline was put into operation on November 11, 1980. Another more powerful

main export gas pipeline "Urengoy-Pomary-Uzhgorod" was built by the Soviet Union in the early 1980s using loans from West European and Japanese banks for the supply of natural gas from the fields of the north of the West Siberia to consumers in the countries of Central and Western Europe. The pipeline crosses the Ural Mountains and more than six hundred rivers, including the Ob, Volga, Don and Dnepr. Its length is 4451 km, and the throughput capacity can reach 32 billion cubic meters of natural gas per year [7]. It should be noted that the construction of this largest for that time gas pipeline for Europe also took place under conditions of sanctions imposed by the United States, the essence of which was a rigid prohibition of the access of the USSR to modern technologies, incl. in oil and gas production and exploration [8]. The US embargo hit the supply of technological equipment (mainly compressors) for an almost ready gas transmission facility to Europe. At the same time, in order to combat the "evil empire", the Ronald Reagan administration banned US corporations General Electric, Dresser Industries, Schlumberger from cooperating with the USSR under the threat of sanctions for projects to develop gas fields on Sakhalin.

But, despite all obstacles, the gas pipeline from the USSR to Europe was successfully built, and the official ceremony for its commissioning took place in France. The first gas went through the pipeline in January 1984.

The Russian Federation increased the supply of "blue fuel" to Europe, and in 1999 it put into operation a transnational main export gas pipeline that connected the gas fields of the north of Western Siberia with consumers in Europe. In 2011 another export pipeline, called "Nord Stream", was put into operation with a capacity of 55 billion cubic meters of gas a year [9]. The construction of this unique gas transportation facility on the bottom of the Baltic Sea was caused by a number of objective reasons, the main of which was the need to diversify the export gas transportation system in order to increase the reliability and security of gas supplies to the European Union countries bypassing Ukraine and Belarus.

After the so-called "Maidan" revolution in Ukraine in 2014, the government of this country made it difficult to transit Russian gas to Europe through the Ukrainian part of the gas pipeline "Urengoy-Pomary-Uzhgorod". In 2014-2017 there were cases of unauthorized selection (theft) of gas destined for European consumers; the payment for consumed gas was delayed and the price for services for the transit of "blue fuel" to Europe was repeatedly raised. Conflicts grew into so-called "gas wars" and were the subject of arbitration proceedings in Stockholm. As is known, at the beginning of 2018 the Russian Gazprom lost the legal process in Stockholm Arbitration under the lawsuit of the Ukrainian Naftogaz and had to pay 2.56 billion dollars. Gazprom is in no hurry to pay the bills, trying to change the court decision, so Ukraine began to seek the seizure of its assets in Britain, Holland and Sweden.

In 2015-2016 Russia had to settle the conflict with Belarus regarding the price of gas transit through the "Yamal-Europe" pipeline.

All this revealed the vulnerability of the traditional model of continental gas transport and to some extent jeopardized the reliability of Russian gas supplies to Europe.

Taking into account the difficulty of negotiating with the western partners for obtaining permits for the construction of a part of the gas pipeline in the territorial waters of Germany, Denmark, Poland and other European countries, the management of Gazprom, with the support of the Russian government, turned to the well-known politician - German ex-chancellor Gerhard Schröder – with a profitable proposal. Having given his consent, he directed the project for the construction of the first stage of the Nord Stream pipeline since 2005, having left politics and being the chairman of the council of the company Nord Stream AG.

Nord Stream which connected Russia's gas fields with Germany's extensive gas transportation network, bypassing Ukraine and Belarus, became an additional export corridor that increased the flexibility and reliability of Russian gas supplies to Western Europe. Its length is only 1224 km [9] which is 3200 km shorter than the gas pipeline "Urengoy - Pomary – Uzhgorod" passing through Ukraine. This circumstance not only reduces the cost of transporting "blue fuel" to the EU countries, but also significantly improves the reliability and security of supply, eliminating Ukraine as a partner in the transfer of natural gas.

By analogy with the "Nord Stream", the Russian side seeks to implement two more projects: "Nord Stream 2" with a capacity of 55 billion cubic meters per year and the "Turkish Stream" with a capacity of 31.5 billion cubic meters. The first one will be practically the second thread of the operating "Nord Stream" gas pipeline, the second one will supply natural gas to the countries of South and South-Eastern Europe from Russia through the Black Sea initially to Turkey (hence the name "Turkish Stream").

With the introduction of new export gas pipelines laid on the seabed, bypassing the transit countries, at least four major problems in the gas supply of European countries will be successfully solved. First, they eliminate the problem of the unreliability of Russian natural gas supplies since all new pipelines bypass unsteady and potentially unstable transit parts, mainly Ukraine. Second, they significantly increase the volume of supplied gas: the full capacity of the two threads of the "Turkish Stream" and "Nord Stream -2" exceeds 86 billion cubic meters, and together with the already operating "Nord Stream" they can supply to Europe more than 140 billion cubic meters of gas per year. This is especially important in the context of a decline in natural gas production in Europe itself and an increase in demand for it in consumer countries. Third, the new trunk pipelines optimize the transit distance. For example, the supply of gas through the "Nord Stream 2" is shorter by 3,000 km than that through Ukraine, and through the "Turkish Stream" - by 3,500 km. And, finally, "Gazprom" offers a more favorable price because of the decrease in transit distance [10].

Inclusion of all these circumstances in the revised Russian concept of energy supply for Europe should substantially increase the attention of potential buyers of "blue fuel" to Russian "Gazprom" as a reliable supplier.

Realizing the profitability of new Russian projects for the supply of natural gas to Europe, some large Western companies declare their desire to take a very active part in them. So, Shell, BASF / Wintershall, E.ON, OMV have already announced their participation in the construction of the "Nord Stream 2" export gas pipeline, and Allseas Group has already declared itself for the role a major shareholder and investor together with PJSC Gazprom in the "Turkish Stream" project. "Natural gas will occupy the most important place in the energy balance of Europe for a long time. The implementation of new projects like "Nord Stream 2" is necessary to meet the demand for energy in Europe, especially against the backdrop of our own falling gas production". These are the words of Ben van Berden, the Chief Executive Officer of Royal Dutch Shell, said during the signing ceremony of the Shareholder Agreement for a new gas pipeline system "Nord Stream 2" within the framework of the Eastern Economic Forum, held in Russia in September 2015 [11].

At the end of January 2018, it became known that foreign investors, despite the threat of sanctions from the US, invested three billion euros in the construction of the "Nord Stream 2" export gas pipeline.

The business interest of European countries in new Russian initiatives does not mean that they are all ready to switch only to Russian supplies. In Europe, a diversified approach to energy supply prevails. The European Commission's credo for energy implies limiting the import of energy resources to a particular country where no oil or gas supplier has a monopoly. European importers implement this line with the help of freedom of choice.

With increasing energy consumption, European importers are constantly looking for new favorable offers from energy suppliers. For example, the countries of Northern and Western Europe, along with Russian gas pipelines, purchase natural gas from Dutch fields, as well as Norwegian liquefied gas which goes to terminals built on the coasts of the North and Baltic seas.

The countries of Southern Europe import liquefied gas from Qatar, Nigeria and a number of other countries in the Middle East.

It should be noted that to ensure a better supply in the market, foreign suppliers are trying to increase the export opportunity and constantly develop the transport infrastructure. For example, Norway is planning to build its tenth Norwegian Corridor by the year 2022 which will run through Denmark and is designed for a capacity of 10 billion cubic meters [12].

In order to expand the supply of natural gas to the European Union countries, a pipeline is being built connecting the two pipelines Trans Anatolian (TANAP) and Trans Adriatic (TAP) that provide transportation of gas from the Azerbaijani Shah Deniz field to Europe. The estimated capacity of the pipeline, which is expected to be commissioned as early as 2018, will amount to 16 billion cubic meters per year at the initial stage [13].

The implementation of such projects allows diversifying gas supplies and moving to acceptable contract terms that are legitimate and justified. Therefore, the European energy market is one of the most liberal and open ones in the world. The United States of America decided to make use of this situation, which managed not only to significantly increase the extraction of natural gas thanks to the so-called "shale revolution" but also to reduce its prime cost 1.5-2 times - from \$ 70 per thousand cubic meters in 2014 to \$ 40-45 in 2017. That allowed the world power to proceed to large-scale export of gas products to Europe [14].

Liquefied gas from the US tanker fleet is delivered to regasification terminals which are available in Belgium, the Netherlands, Poland, Lithuania. Similar terminals are supposed to be built also in Bulgaria, Greece and Croatia [15]. Therefore, the USA intends to create their own gas transport corridor "North-South", covering the whole continent through the Baltic, Adriatic and Black Sea coast to become one of the leading gas exporters to Europe, pushing Russia out of this market. This idea was first voiced by US President Donald Trump at a summit in Warsaw in July 2017. "...We are ready to give you access to alternative energy sources so that Poland and its neighbors are not hostages to the only energy supplier," said D. Trump [16].

In fact, the US is not in a position to compete with either Russia or other gas suppliers in the European energy market for several reasons. First, the amount of gas imported from the US cannot be compared with other gas supplies to Europe. Meanwhile American liquefied gas passes through the terminals of Poland and Lithuania only as single or test deliveries, the volume of which in 2017 did not exceed 0.5 billion cubic meters which is about 40 times less than the annual growth of Gazprom's gas supplies to Europe [17]. It is unlikely that European states can receive a large volume of gas from the US in the short term, even if American companies manage to fulfill their promises - to put into operation special terminals in Croatia and Greece. Secondly, despite the low cost of natural gas production in the United States, its price increases sharply upon arrival of tankers to Europe - this is due to both logistics and regasification. So, as of mid-2017, supplies of American natural gas to Europe cost about \$ 245 per thousand cubic meters, which, according to the US Department of Energy, was the lower limit of profitability of gas exports. At the same time, the price of Russian natural gas delivered via pipelines cost Europeans a third less - \$ 183 per thousand cubic meters [10]. Therefore, to date, the main factor of low competitiveness of American liquefied gas in comparison with gas pipelines is its high price. The Russian company Gazprom can afford to lower its price below \$ 140 per thousand cubic meters while retaining its economic benefits but American manufacturers cannot do this.

Let us emphasize that the commercial factor of profitability is of fundamental importance for many gas importers in Europe. For example, Poland which receives 10 billion cubic meters of Russian energy carriers and has been constantly declaring their readiness to stop using it until 2020 still does not do so for commercial reasons. The political rhetoric of Polish leaders and their supporters for infringing on Russian supplies to demonopolize the energy market is not yet

supported by real actions to reduce the purchases of natural gas from Russia. Moreover, despite this rhetoric and contrary to Western sanctions in 2017, the Russian company Gazprom increased gas exports to Europe by 8.1% to 193.9 billion cubic meters compared to 2016. This increase was due to the purchase of Russian gas by Northern, Western and Central Europe [6].

Deliveries of Russian natural gas to Europe will increase with the commissioning of a new export gas pipeline "Nord Stream 2", around the construction of which there have been a lot of arguments lately. As it is known, the project "Nord Stream - 2" provides for the laying of two strings of a gas pipeline with a total capacity of 55 billion cubic meters per year from the coast of the Russian Federation on the bottom of the Baltic Sea to Western Germany. The pipeline route is supposed to be created in close proximity to the already operating "Nord Stream". The permission for the construction of the pipeline has already been given by the authorities of Germany, Finland and Sweden. The company Nord Stream 2 AG, the head of this project, will receive approval from the leadership of Denmark.

The Russian Federation has repeatedly called for not perceiving the "Nord Stream 2" as a means of political influence on the gas importing countries. According to President Vladimir Putin, Moscow views this project as purely economic which will bring additional revenue to the state budget in foreign currency. Despite these statements by the Russian leadership, the construction of a new pipeline thread was met with active opposition from several countries. First of all, Ukraine, which fears losing financial benefits from the transit of Russian "blue fuel", is against "Nord Stream 2". Ukrainian President Petro Poroshenko made a statement that he would make every effort to ensure that the gas pipeline bypassing Ukraine would not be built as its operation would damage the country in the amount of \$ 3 billion. The construction of the gas pipeline was aimed at leaving Ukraine without money to finance its defense, P. Poroshenko summed up [17].

Latvia, Lithuania and Poland do not support the project; their leaders are convinced that it is a political project. Poland is exerting pressure on the European Union to persuade Europe to obstruct the construction of the "Nord Stream 2" gas pipeline. This statement was made by the Deputy Prime Minister of the country's energy, Mikhail Kurtyka [18].

The authors remind that in November 2017 the European Commission proposed to introduce a number of amendments to the gas directive of the European Union. But Bulgaria, presiding in the association at that moment, limited itself to contacts of experts and suspended the speed of work on the document. As noted in the new version of the document, any gas pipelines, including foreign ones that run by sea, must obey the laws of the EU.

Denmark turned out to be against the project as well, despite the fact that the pipes were supposed to be laid parallel to the already existing Russian gas pipeline in Denmark's waters. The legal base allows the construction on the bottom of the Baltic Sea, environmental issues should be out of the question. The pipeline runs along the same route as the

existing “Nord Stream”, and all permits were issued, all environmental impact assessments were made and found to be satisfactory. It was decided that the project permits can be influenced not only by environmental, legal or commercial considerations but also by political and strategic considerations, that is, if a project is deemed inexpedient for political reasons, its construction cannot be granted permission. Thus, the Danish kingdom called the Russian gas pipeline a threat to its national security [19].

According to Danish Prime Minister Lykke Rasmussen, the construction of the “Nord Stream 2” gas pipeline should be agreed at a pan-European level. In his opinion, Copenhagen can pass a law that will allow one to block or to postpone the implementation of the Russian project on legal grounds. Copenhagen kept on delaying the decision. The Kingdom had been considering the application for laying the pipeline for more than a year, whereas in accordance with EU procedures, such issues are usually approved or rejected within three to four months.

According to experts, the pressure on Copenhagen was provided by the United States. The United States, which is promoting its interests in supplying its liquefied natural gas to European consumers, is also trying to disrupt the construction of “Nord Stream 2”. Washington’s official position is also to support Ukraine, whose budget after the implementation of this Russian project will lose several billion dollars, which it used to receive the transit of gas through its territory.

The negotiations between the head of Ministry of Energy of Russia Alexander Novak on this issue and US counterpart Rick Perry and European Commissioner Maros Shefovich that took place on June 26, 2018 did not help to change the situation for the better.

Moreover, the United States threatens European companies participating in the construction of Nord Stream 2 with economic sanctions; there are about a dozen companies threatened by Washington, some of which are not only contractors, but also investors. The US Department of State expressed its hope that the EU would “independently suspend” the construction of “Nord Stream 2” or “reformat” the proposal made by Russia regarding the construction of a fuel pipeline. Assistant Secretary of State Sandra Oudkirk on June 25, 2018 directly stated that the European Union’s refusal to participate in the implementation of the “Nord Stream 2” was the only opportunity for the European Union not to incur the wrath and economic constraints of the United States [20].

The EU, apparently, continues to adhere to a wait-and-see attitude. European Commissioner Maros Shefovich said that if the United States imposed sanctions against European companies participating in the Russian project, Brussels would defend its economic interests [21].

Russia still has the opportunity not to wait for the time when Denmark makes any concessions and agrees on the laying of the pipeline along its territorial waters.

With a negative response from Denmark, Gazprom has a plan to build “Nord Stream 2” bypassing the kingdom. Of course, this will lead to a delay in construction and some of its rise in price, but even so, Gazprom says it will build and put

the gas pipeline into operation before the beginning of 2020, that is, until the contract for transit through Ukraine ends. “We are planning to start in summer. We have begun the preparatory work on the shore and at the bottom, pipelaying vessels have been mobilized so they can start laying pipes in the coming weeks,” said Nord Stream 2 AG CFO Paul Corcoran in June 2018. He stressed that if the authorities Denmark would not approve the laying of the gas pipeline in its territorial waters, the company would have to change the route. In this case, it would pass to the north of Denmark, in international waters. Nevertheless, the company is still waiting for the final decision of Copenhagen [22].

In 2014 Russia ceased work on the “South Stream” because of the EU position – the project was supposed to pass through Bulgaria, Serbia and Hungary; it happened in favor of a new gas pipeline along the bottom of the Black Sea towards Turkey (“Turkish Stream”). And today the EU is applying double standards to the “Nord Stream-2”, lobbying for gas supplies in the African direction [22]. Europe is unlikely to block the implementation of an ambitious Russian project - the construction of the “Nord Stream 2” through which Russia wants to escape from the transit of gas through Ukraine in the European direction. But the European Commission will try to get regulatory levers of influence on this gas pipeline.

The US authorities continue to work actively with partners from the EU to convince them to abandon the “Nord Stream 2”. This was stated directly by Secretary of State Mike Pompeo at the hearings in the US Senate on June 27, 2018. According to him, Europe’s consent to the construction of the gas main contradicts the policy of “counteraction to Russia” [23]. “Pipeline dollars to Russia are unacceptable,” wrote D. Trump in his Twitter account and criticized the energy agreement between Berlin and Moscow [24].

US President D. Trump believes that Germany’s participation in the implementation of the Nord Stream 2 gas pipeline construction project is its own choice but it entails great challenges. In an interview with Fox News, following a meeting in Helsinki with President Vladimir Putin in July 2018, he noted that Germany “pays billions of dollars to Russia,” and that he had already discussed this issue with German Chancellor Angela Merkel “in rather harsh tones” and was awaiting a reaction [25].

The US State Department said that as an alternative to the Russian project “Nord Stream 2” President D. Trump and his administration would support the “Southern Gas Corridor” project which would be able to compete seriously with Russian gas in terms of deliveries to Europe. The “Southern Gas Corridor” with the length of 3.5 thousand kilometers will allow supplying gas to Europe, which is produced on the shelf of the Caspian Sea. The Southern Caucasus Pipeline, TANAP and TAP are the constituent parts of the main gas pipeline. The TANAP project envisages the transportation of gas from the Azerbaijani field through Georgia to Turkey, and after the construction of the TAP in 2020 - also to the countries of Southern Europe [26].

Thus, the events of recent months convincingly show that the policy of the US and its allies is aimed at creating obstacles to new projects promoting Russian gas to the

European energy market. This is also aimed at strengthening the anti-Russian sanctions.

## II. RESEARCH QUESTIONS

In this study the authors consider the following questions.

1. Authors examine the problem of ensuring the security and protection of Russian energy supplies to the European market.

2. The Authors also study the issues of diversification of natural gas supplies to the EU countries in the conditions of Western sanctions.

3. A special place in the study is given to the construction of the Nord Stream-2 gas pipeline and the problems around it.

## III. PURPOSE OF THE STUDY

The aim of the study is to study the problems that Russia faces in the process of exporting natural gas to the European countries, which is especially important in the context of Western sanctions.

## IV. RESEARCH METHODS

The methodological basis of the publication consists of the following methods: the structural and functional method, the construction of the political and social model, the scenario approach and the scenario projection method, the method of analysis of political texts.

## V. FINDINGS

Russia, having proved its reliability in providing energy supplies to the countries of the European Union, is now pursuing a policy of consolidating itself on the European gas market, despite the confrontation between the US and its allies. Of course, the implementation of new projects for the construction of trunk gas pipelines to Europe depends on the choice of European countries and their positions in matters of ensuring their own energy security. Despite the US policy aimed at reducing the energy dependence of the allies from Russia, there is no alternative to Russian oil and gas in the short term. Moreover, some European countries (for example, Germany) and such large companies as Shell, BASF / Wintershall, E.ON, "OMV", "Allseas Group" show real interest in the construction of the "Nord Stream 2" and the "Turkish Stream" because all these companies are commercially interested in new pipelines, becoming their shareholders and investors.

The Russian foreign economic and energy strategy has a multi-vector nature, emphasizing the creation of a safer environment for the development and promotion of its own energy projects, such as the "Turkish Stream" and "Nord Stream 2".

The national energy complex of our country can carry out export deliveries simultaneously in several directions, both to Europe and Asia. At the same time, special attention is paid to the interests of importers in the continuity and reliability of energy supplies in accordance with the signed contracts.

## VI. CONCLUSION

Thus, the achievements of science and technology in the invention of new sources of renewable energy as well as new industrial engineering do not abolish the steady trend towards increasing consumption of traditional energy carriers. At the same time, the most important strategic task of energy-importing countries is to ensure reliable and safe energy supplies from oil, coal and natural gas producing countries.

Russia traditionally occupies one of the leading positions in the energy market of the EU countries, supplying up to 40% of gas requirements and 32% of oil needs. Taking into account the increase in energy consumption in Europe and the avoidance of risks due to the growing tensions with Ukraine as a transit country for Russian gas, our country proposes to increase energy supplies through both the network of already existing gas pipelines and those under construction and developed gas transport communications in bypassing politically unstable regions.

As for the total volumes of natural gas supply and their commercial benefits, the new Russian projects have no alternative; they are quite attractive to consumers and have a significant profit for the supplier. At the same time, Russian gas transportation projects face constraints not only related to the interests of European countries in diversifying gas supplies but also with attempts by the US to monopolize the European gas market. What is more, the US uses unfair competition methods in countering Russian gas transportation projects, forcibly inciting its European allies in the NATO bloc to purchase American liquefied gas.

The introduction of the SP-2 is now completed by about 30% - more than 500 km of the pipeline has already been laid under the Baltic Sea from Russia to Germany. It is expected that by the end of 2019, trial deliveries of "blue fuel" will begin on a new route.

The final obstacle to the completion of the construction of the export gas pipeline is Denmark, which has not yet agreed to lay it in its territorial seawaters. Washington is trying to convince Copenhagen to block the gasket. The assistant to the President of the United States for National Security John Bolton discussed the situation around the project with the Minister for Foreign Affairs of Denmark, Anders Samuelsen, on February 8, 2019, when the question of amendments to the gas directive was being considered in Brussels. However, even if Copenhagen opposes SP-2, then Gazprom will be able to change the route of the gas pipeline so that it does not fall within the scope of Danish jurisdiction. At the same time its length will increase.

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