

## NATO losing its faith on Russian Gas Supply – slowly

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Outrageous pictures from the Ukrainian town of Bucha and accusations of war crimes levelled at Russia are building pressure for more sanctions against Moscow especially no on its oil & gas business. NATO losing knot on Russian Gas – a threat to EU Economy; whereas Berlin disagrees. Berlin has publicly warned of mass unemployment and poverty in Europe's biggest economy if its industries and

households must forgo Russian gas. The German government has set out plans to end its need for Russian oil imports by the end of this year and to stop Russian gas imports by 2024.

Before going into deep, let's be familiar with how much oil and gas EU buy from Russia. Russia supplies a momentous volume of fossil fuels to other European countries. In 2021 it was the largest exporter of oil and natural gas to the European Union, and 40% of gas consumed in the EU came from Russia. In 2017, energy products accounted for around 60% of the EU's total imports from Russia. The data shows from 2017 to 2021 European Union already cut down imports by 20%. Let me simplify it - A key potential target of United States is Russian oil and natural gas because \$850 billion (€775 billion) approx that European importers pay for those supplies every day. But it's not so easy, given Europe's dependence on Russian energy.

What is on stake for Russia? Russian economy is to fold earning economy – Hydrocarbon & Defense sale. Whereas – European Union as whole – is FIVE FOLD ECONOMY. They five source of income for EU is – Tourism, Technology, Defense, Capital lending and borrowing – Finance, Manufacturing of Automobile and Heavy Equipments. Hence, European Union will see severe hit, as all of five folds of earning depends on Gas supply. On the other hand, Russia will lose USD \$ 100 Billion foreign exchange every year, and this share of \$100 Billion will shift to United States 60% and 40% to middle east. Russian will feel the knot suffocating.

Lithuania having LNG receiving terminal is going to be one hub for American, Algerian and Qatari Gas for Europe, but its discharge capacity is less. That is Lithuania's Foreign Minister Gabrielius Landsbergis said and I quote, "Why should Europe give Putin more time to earn more money from oil and gas? More time to use European ports? More time to use unsanctioned Russian banks in Europe? Time to pull the plug," unquote.

On the other hand, German Foreign Minister Annalena Baerbock told reporters that - "The question of an oil embargo is not a question of whether we want or don't want (it), but a question of how much we depend on oil," "Germany is importing a lot (of Russian oil), but there are also other member states who can't stop the oil imports from one day to the other," she said, adding that the bloc should instead work on reducing its reliance on Moscow for its energy needs.

The mix match reaction of many European countries is because they all have separate settlements with Russia for Russian Gas. On the other hand, they are not sure about American supply due to lack of infrastructure for receiving gas, storing gas and its piped distribution to the end user. They know it is going to hit their economy as whole by 1.8 Percent and Russia will see nose dive in its economy.

**The big Question is** - Why can't Europe cut off Russian energy whereas as the US managed to do? Prior to the war in Ukraine, the United States imported little oil and no natural gas from Russia as it's become a major producer and exporter of oil and gas thanks to fracking. And the US partners from Europe had some oil and gas deposits, but production has been declining, leaving the 27-country EU dependent on imports. This gives United States to unite NATO more towards them. Of the 155 billion cubic meters of gas that Europe imports from Russia every year, 140 billion comes through pipelines crossing Ukraine, Poland, and under the Baltic Sea. Europe is scrambling to get additional supplies by ship in the form of liquefied natural gas, or LNG, but that can't make up for losing gas by pipeline.

Despite all that – EU has option but has to lose one balance sheet to negative. As LNG is also much more expensive, and suppliers are maxed out but still they can have. While some European countries are well-connected to LNG terminals, such as Spain, and new projects are in the works in places like Greece and Poland, the infrastructure isn't there to get supplies to the rest of Europe. Building LNG import terminals and pipelines to connect the gas to places that need it can take years.

Big question is where else could Europe get energy excluding United States? The answer is – EU may source LNG from places like the US and Qatar, Europe is pushing for more gas from non-Russian pipelines from Norway and Algeria. If, Saudi Arabia opens its gas for EU, then there will be no trouble of sourcing gas, Saudi Arabia holds 1183 Trillion Cubic feet of Gas reserves. Oil is different in that it mostly comes by ship. Still, it wouldn't be easy to replace Russian supply with global markets tight. Taking Russia's 2 million-plus barrels per day to Europe off the market would push oil prices higher worldwide.

And no for Russia could try to sell the oil to India and China, though it might earn less. Which Indian Prime Minister gave a green signal. And China without signal buying it significant share of Gas and Oil to fill its strategic reserves for rainy day – I mean during South China conflict, hitch may stand longer than Ukraine – Russia war.

**Conclusion:** United States broke Soviet Union and separated Russians from their own partner states, and now this war if escalates more – United States will be able to cease the dreams of Russian people by making them extreme poor. Hence, war must be stopped to secure Russian’s dream in Russia.

**Gas imports from Russia**

