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# The struggle to reduce dependence on Gazprom

By Ian Traynor

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The fresh eruption of the gas wars between Russia and Ukraine exposes Europe's vulnerability to the Kremlin's energy policies and highlights the dilemmas posed by Europe's attempts to wean itself off dependence on Gazprom. The giant Russian monopoly is the world's biggest producer and exporter of gas while Europe is the world's biggest market and Gazprom's biggest buyer, with Germany taking the lion's share.

On gas, Europe and Russia are locked in an umbilical relationship. But for years European policymakers have been trying to devise strategies that would diminish the dependence on Russia, which supplies about a quarter of Europe's gas and about half of its imports, some 80% of that via Ukraine.

The problems raised by Europe's need for Russian gas are compounded by Gazprom's almost total control of the delivery systems, principally pipelines.

And so, in recent weeks, Andris Piebalgs, the European energy commissioner, has been shuttling to Turkey and Azerbaijan in an attempt to secure pledges on gas supplies and transit to Europe for the proposed multi-billion dollar Nabucco pipeline which, if built, would deliver Caspian gas to Europe via Turkey and the Balkans, bypassing Russian control.

On the day that the Czech Republic assumed the EU presidency, its deputy prime minister, Alexandr Vondra, warned Moscow that "all existing commitments to supply and transit must be honoured".

The Czechs hope to push energy security up the European agenda over the next six months, planning to host a "Trans-Caspian summit" of European and mineral-rich states in the Caspian Basin to try to vary Europe's supply sources.

Vondra argues that the Nabucco pipeline is a political necessity, and insists that the EU's vaunted climate change package adopted last month can succeed only if it takes account of energy security. Yet the economic and supply viability of the pipeline are hotly contested.

While Europe puts its hopes in Nabucco, the Russians and Gazprom are planning a parallel scheme through the Balkans called Southstream. A third project called Nord Stream is also planned, running from outside St Petersburg direct to Germany's Baltic coast under the Baltic Sea to supply Germany, the biggest buyer of gas, while avoiding the anti-Russian transit countries of eastern and central Europe.

All three projects are in trouble, all are political, part of the Russia-Europe pipelines contest likely to continue for years. The Russian-German joint project in the Baltic has aroused acute suspicion and unease elsewhere in Europe, with the Kremlin successfully undermining European solidarity over energy.

"The Russians deal more with the member states than with the EU," said a senior official from Azerbaijan, which is being courted by the Russians and the Europeans over energy policy. "Everyone is playing their own violin."

One way to prevent the Russians playing divide-and-rule with the Europeans over energy, said a former senior British official in Brussels, would be to beef up the powers of the European commission to negotiate on energy.

Barely a week goes by without European leaders declaring the need to "diversify" the EU's energy sources. But Europe's appetite for Russian gas is likely to grow in the years ahead since its consumption needs are rising while its indigenous stocks become depleted.

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