

# Russian Gas Pipeline Projects: Impact on the Balkans

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**Balkan Energy Battlegrounds: Gas Pipelines and Geopolitics**

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# The Big Plan of Gazprom and Its Partners



- Elimination of Ukrainian transit followed by physical liquidation of Russian pipelines delivering gas to the Ukrainian border.
- EUGAL+OPAL= 90 bcma.
- TurkStream = 31.5 bcma.
- In 2019, Gazprom shipped via Ukraine to Europe 87 bcm plus 3 bcm to Moldova.
- The \$100+ Billion plan does not assume sales of additional volumes.



# "Optimization" Program

Postponed by delays and the US sanctions on Nord Stream 2

-130 bcma

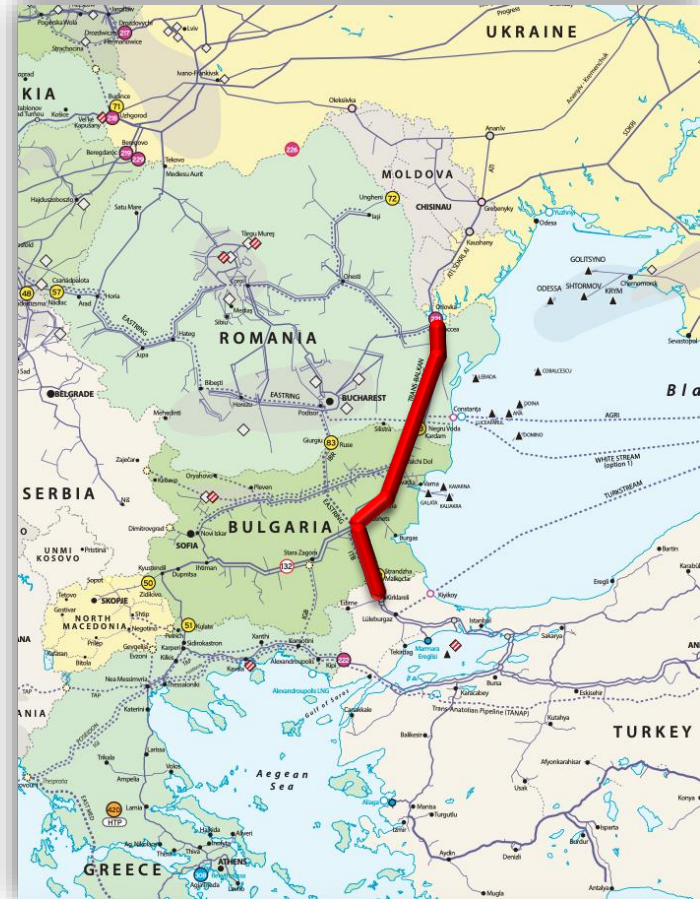
<https://www.gazprom.com/press/news/miller-journal/2016/277026/>

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# TurkStream Replacing TBGP

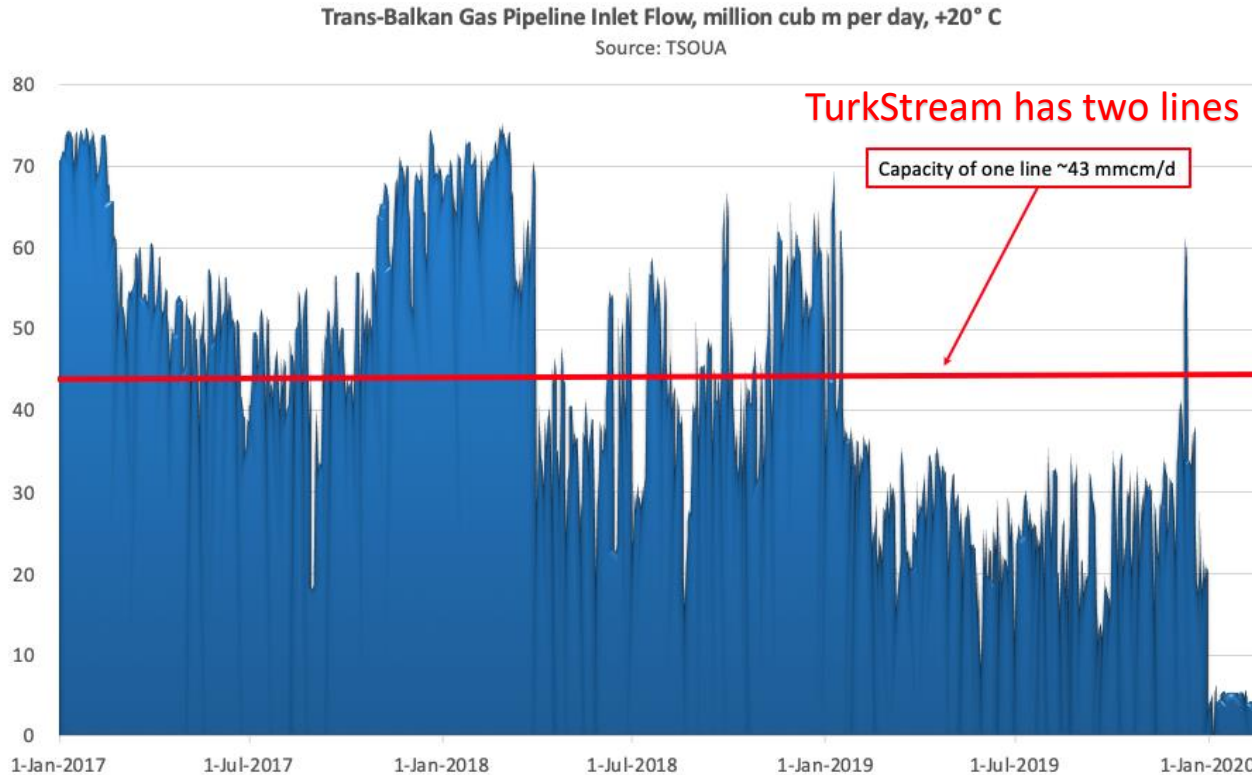
- At the initial stage, TurkStream is supposed to replace the Trans-Balkan Gas Pipeline that delivered gas to:
- Romania,
- Bulgaria,
- Turkey,
- Greece,
- North Macedonia.
- In 2003, Gazprom's joint venture increased the inlet capacity of TGBP.





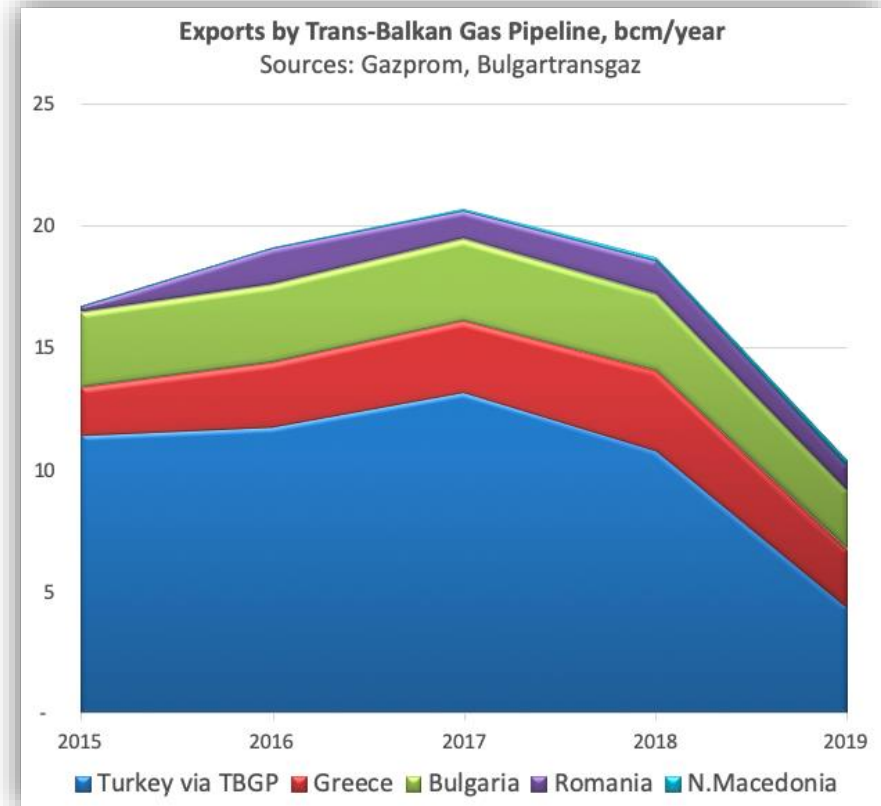
# TBGP Inlet Flow 2017-2020

TurkStream has a huge excessive capacity



# Markets Supplied by TGBP, 2015-2019

- Turkey is using less gas for power generation (more hydro).
  - Akkuyu Nuclear Power Plant will further reduce gas use.
- Turkey imports more gas from Azerbaijan and LNG.
- Gas-to-gas competition has finally come to the Balkans.
  - LNG and TANAP.
  - No future growth for Gazprom.
- No additional markets unless new links are built.

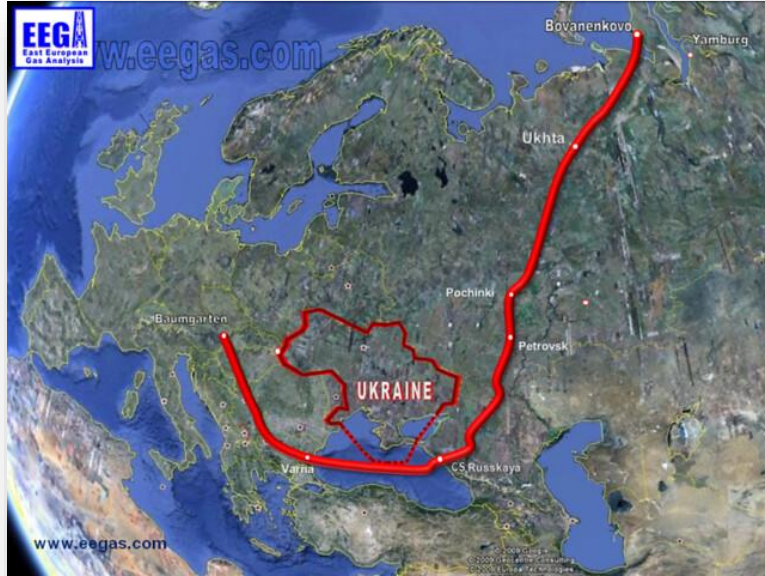


# TurkStream to Compete with NS2

90 bcm capacity of OPAL and EUGAL to deliver gas from Nord Stream 2



# TurkStream Propaganda



- Propaganda has never been a strong side of TurkStream.
  - Public support was not needed in Turkey, Bulgaria or Hungary – bilateral talks of Putin with states' leaders were enough.
  - Unlike with NS2, there were no lies about additional gas – it was strictly about bypassing Ukraine.
  - TS has never been called the shortest nor the cheapest route.
  - "Gazprom has always stated – and it has been our principled stand – that the best option is to deliver gas via the Black Sea to Baumgarten". [A.Miller](#)

“The way of fools seems right to them”.  
Proverbs 12:15



# The Best Option for Contractors of Gazprom

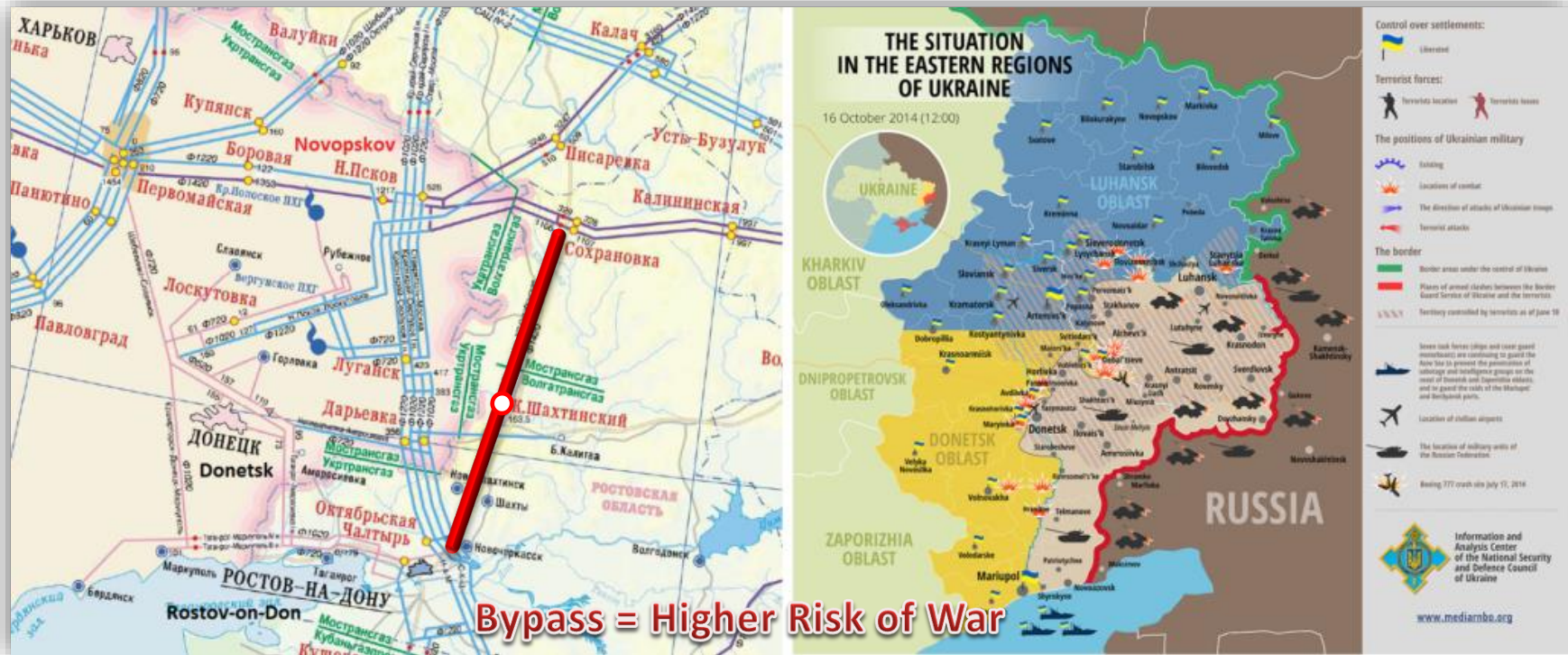
- In mid-term, TS affects only Gazprom.
- The \$30-Bn project results in adding new ship-or-pay transit costs in Turkey and new depreciation & operating expenses in Russia.
  - Ukraine, Romania, Bulgaria have ship-or-pay contracts.
- Officially reported cost of 1 km of feeding pipelines in Southern Russia are 3 times higher than at similar projects in Germany and Czech Republic.
- After completion of all major projects, Gazprom bought back pipeline construction business from A.Rotenberg.
- Contractors are the only beneficiaries of the value destructive projects of Gazprom.



“Yes, these people are my friends and I’m proud to have such friends. They are true patriots and their business is oriented towards Russia.”

[V. Putin](#) on Messrs A.Rotenberg & G.Timchenko.

# History of Pipelines Bypassing Ukraine



- In 2007, Gazprom built a bypass to supply gas to S. Russia and to save \$40 mill/year of transit fees.
- Operating costs at the new pipeline and compressor station were much higher than \$40 mill.
- Artillery and small arms were never engaged closer than 50 miles from the operating pipelines.
- **With Rostov-on-Don voters still getting gas via Ukraine, the war might have never happened.**