

No Guarantee of EU Cooperation if South Stream Pipeline Project is Revived: Gazprom CEO

Russian energy giant Gazprom CEO Alexei Miller stated that there are no guarantees that, if the South Stream pipeline project is revived, the European Union will not hinder it again.

By <u>Global Research News</u> Global Research, December 06, 2014 <u>Sputnik News</u> Region: <u>Europe</u>, <u>Russia and FSU</u> Theme: <u>Oil and Energy</u>

There are no guarantees that, if the <u>South Stream</u> pipeline project is revived, the European Union will not hinder it again, Russian energy giant <u>Gazprom</u> CEO Alexei Miller said Saturday.

"If we are really talking about the time and effort we have put [into South Stream], we are talking about years and certain amounts of money spent, of course...

We have gained certain experience and knowledge... At the moment, we can say we know European bureaucracy well... Who is to guarantee that it will not happen again in a month, in two months, in six months?" Miller, who appeared on the Vesti v Subbotu (Vesti on Saturday) TV show, told its host Sergey Brilev.

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© EAST NEWS/ MIKHAIL METZEL/AP/XMIM101 Bulgaria to Lose \$0.5BIn Annualy on South Stream Closure Amid EU, US 'Games': Politician

Gazprom CEO Says EU Intentionally Blocked Russia's South Stream Pipeline

The European Union implemented policy directly aimed at blocking Russia-backed South Stream gas pipeline project, CEO of Russia's energy giant Gazprom Alexei Miller said Saturday.

"In relation to the decision to stop the project... it is based on the fact that it's impossible to implement the project in the face of delays and blunt blocking, which is of course a targeted policy conducted by the European Union. The European Parliament adopted a resolution opposing the South Stream on April 17 this year," Miller, who appeared on the Vesti v Subbotu (Vesti on Saturday) Russian TV show, told its host Sergey Brilev.

He noted that Russia had not received from Bulgaria the authorization for construction in its territorial waters and on land and, thus, could not proceed with the project, adding that alleged issues with EU Third Energy Package were not the reason for cancelling the project.

Miller added that there also were no guarantees that EU countries would not hinder the South Stream implementation again, if the project was to be revived.

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talking about years and certain amounts of money spent, of course... We have gained certain experience and knowledge... At the moment, we can say we know European bureaucracy well... Who is to guarantee that it will not happen again in a month, in two months, in six months?" the CEO said.

The construction of South Stream was announced in 2012, and the pipeline was expected to go across the Black Sea to central and southern Europe in order to bypass Ukraine as a gas transit nation.

The European Union repeatedly said that the project violated the bloc's Third Energy Package, according to which it is illegal to own a pipeline and produce the natural gas that flows through it at the same time. Moscow repeatedly said it saw no violation of the package's regulations.

Gazprom Changes Strategy in Europe, EU to Buy Gas on Turkey-Greece Border: CEO

Scrapping the South Stream pipeline project is a step toward a different strategy on the European market, Russian energy giant Gazprom CEO Alexei Miller said Saturday.

"Our strategy is changing with regard to the European market. The decision to scrap South Stream is the end of our way of working when we focused on delivering [gas] to the end consumer on the European market," Miller, who appeared on the Vesti v Subbotu (Vesti on Saturday) TV show, told its host Sergey Brilev.

He confirmed that EU member states will have to purchase gas on Turkey-Greece border.

Miller noted that the infrastructure worth four billion euros (some \$5 billion) that Gazprom has prepared for the South Stream pipeline will be useful for a new pipeline to Turkey.

"We have invested some four billion euros in the gas infrastructure on the territory of Russia with regard to South Stream to deliver gas to the Russkaya compressor station in the Krasnodar Territory, and all these investments will be extremely useful for a pipeline to Turkey," he said.

The construction of South Stream was announced in 2012, with the pipeline's offshore section designed to go under the Black Sea, while its onshore section was to cross Bulgaria, Serbia, Hungary and Slovenia. The pipeline was expected to reduce the possibility of unreliable Russian gas passage to central and southern Europe through Ukraine, becoming fully operational by 2018.

On December 1, Russian President Vladimir Putin said that Russia was not willing to continue the implementation of South Stream in light of the European Commission's "non-constructive" stance on the matter. Gazprom later said that Russia had no plans to revive the project.

On the same day, Miller announced the construction of a new pipeline to Turkey with the annual capacity of 63 billion cubic meters of gas. A total of 14 billion cubic meters will be supplied to Turkey, with the rest being pumped to a hub on Turkey-Greece border for the customers in Southern Europe.

Russia to Deliver Ukraine Enough Gas to Cover Internal Consumption: Gazprom

Russian energy giant Gazprom CEO Alexei Miller said Saturday that Russia would supply Ukraine with enough gas for its internal consumption.

"We will deliver to Ukraine enough gas to cover its internal consumption. Europe will be receiving gas via alternative routes," Miller said during the Vesti v Subbotu (Vesti on Saturday) show on a Russian TV channel.

Halting South Stream Construction Not Connected With EU Third Energy Package: Gazprom

The termination of the South Stream pipeline project is not connected with the EU requirements under the Third Energy Package, Russian energy giant Gazprom CEO Alexei Miller said Saturday.

"This issue has nothing to do with the Third Energy Package," Miller, who appeared on the Vesti v Subbotu (Vesti on Saturday) TV show, told its host Sergey Brilev.

He said that the lack of Bulgaria's authorization for construction played its role in scrapping the project.

"Bulgaria has not authorized the construction in its territorial waters, the exclusive economic zone, and has not authorized the construction on land," the Gazprom CEO said.

Infrastructure for South Stream Worth \$5BIn Useful for Pipeline to Turkey: Gazprom

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Ukraine's Role as Gas Transit Country to Be Nullified: Gazprom CEO

Russian energy giant Gazprom CEO Alexei Miller said Saturday that Ukraine's role as a gas transit country would be nullified due to Nord Stream gas pipeline and new pipeline to Turkey.

"Yes. In fact, the role of Ukraine as a transit country will be nullified," Miller, who appeared on the Vesti v Subbotu (Vesti on Saturday) Russian TV show, told its host Sergey Brilev, answering a question whether combination of Nord Stream and the pipeline to Turkey will affect the role of Ukraine.

He noted, however, that Russia would supply enough gas to Ukraine for its internal consumption.

"We will deliver to Ukraine enough gas to cover its internal consumption. Europe will be receiving gas via alternative routes," he said.

Earlier on Saturday, the energy company's spokesperson, Sergei Kupriyanov, confirmed to RIA Novosti that Gazprom had received \$378 million from Ukraine for the delivery of one billion cubic meters of gas.

In June, Moscow switched Kiev to a prepayment system for gas deliveries in light of Kiev's growing gas that exceeds \$5 billion. Since then, Ukraine has been receiving gas through reverse flows from several European countries and using its own reserves.

In October, Ukraine and Russia reached an agreement for the Russian gas to be supplied to Ukraine through winter until March 2015. According to the deal, Kiev also should pay Moscow \$3.1 billion by the end of 2014 to cover a part of its debt. In November, Naftogaz transferred the first \$1.45 billion tranche of the debt to Gazprom.

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