

# The EU -Russia Gaz Pipeline Crisis: Taking Sides with Pipelines

Review of country-level impacts

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The aggressive political rhetoric stating that Russia uses gas as a 'geopolitical weapon' is very popular in the West. Though the facts tell the contrary.

32 European countries are clients of Russia's Gazprom. Many of them have neutral relations with Russia, while some have a history of political tensions and even a complete breach of diplomatic ties with Moscow, but it's only Ukraine that always blames Russia for gas cuts to put [political pressure](#) on the country's authorities.

For instance, in August 2008, Georgia [attacked South Ossetia](#) and killed many Russian citizens in the republic, both civil population and peacekeepers. It evolved into a full-scale military operation in which the Russian army entered the territory of South Ossetia to impose peace in the region. During the conflict and after it not a single disruption of gas supplies was registered, not a single complaint heard from Georgia. It's simply explained by the fact that business is not mixed with politics: the customer (Georgia) fully and in due time pays for the gas, the supplier (Russia) meets its obligations on deliveries.

Another European state that has extremely tough relationship with Moscow is Estonia. The [exhumation of remnants](#) of Soviet soldiers in Tallinn led to condemnation from Russia and then to mass protests in both countries. The former Soviet republic also [took to court](#) an elderly man, accusing him of deporting Estonians in Stalin times - a charge the man denies, saying he only followed the order to make sure people are safe. Along with this multiple cases of [glorifying Nazism](#) in the country have received a strong reaction from Moscow, leading to open diplomatic fights. Estonia is completely reliant on Russian gas - 100 per cent of the blue fuel is delivered by Gazprom - without disruption.

The same picture is with [Great Britain](#) and [Poland](#) that saw a number of political problems with Russia. They pay - they receive gas. The only example of a gas conflict other than that with Ukraine is the [problem with Belarus in 2006](#). The country simply had not enough money to pay the market price Gazprom named, but very soon a compromise solution was reached: some of Belarusian gas facilities and half of its transit pipeline network were sold to Gazprom. The same scheme was offered to Ukraine, but Kiev refused it along with many others found by Russia.

It's obvious the problem exists only with Ukraine, and in this conflict Moscow is the only side trying to find a compromise, while Kiev politicians are busy fighting for power. The Ukrainian population does not receive enough fuel to warm their homes, the prices for consumers inside the country are [set much higher](#) than the costs the state pays for Gazprom gas, the

fuel transited to European consumers is [siphoned off](#). And the latest event shows there's no will on the Ukrainian side to make things better.

Here is the list of countries purchasing gas from Russian energy giant Gazprom and notes on their history of relations with Russia.

Country: Germany

Russian gas consumption (in billion cubic metres a year): 35.1 (as of 2008)

Relations with Russia: Very good.

Russo-German relations are at their peak ever since the end of WWII. Germany held a very measured stance towards the Georgian-South Ossetian conflict, [declaring support](#) of Georgia's territorial integrity and [objections of its acceptance](#) into NATO along with Ukraine.

Gas supply history: one of the most accurate and collaborating clients of Gazprom, a fellow [Nord Stream](#) enthusiast and shareholder, Germany holds many of Gazprom's underground gas storages that are instrumental for Europe's energy security, which was underlined once again during the current crisis.

Reaction to the latest crisis:

8.01. German counselor Angela Merkel has encouraged Russia to resume gas supplies as soon as possible.

7.01. Merkel had a phone conversation with Ukrainian Prime Minister Yulia Tymoshenko and received promises of an unhindered gas transit.

6.01. Merkel came with the idea to involve observers in the situation with Russian gas, which was hailed as an excellent one from all the parties involved and quickly agreed upon.

Country: Italy

Russian gas consumption: 22.1 (as of 2006)

Relations with Russia: Couldn't be better.

Italy's new Prime-Minister Silvio Berlusconi is a personal friend of his Russian counterpart Vladimir Putin and has frequently [lobbied on Russia's behalf](#) in the EU.

Gas supply history: having no debts to Gazprom, Italy is still short some 27% of its overall gas needs because of the Ukrainian crisis.

Reaction to the latest crisis:

13.01. Berlusconi has declared that he 'understands the reasons' behind Gazprom's actions. "I do not think that we must be worried, but I must say that, if you analyse the situation well, I can understand Gazprom's reasons," he told reporters.

8.01. Economic Development Minister Claudio Scajola stated that Italy has enough gas reserves to last two months and see it through the winter.

Country: United Kingdom

Russian gas consumption: 15.2 (as of 2007)

Relations with Russia: A light at the end of the tunnel.

Ever since the murder of [Aleksander Litvinenko](#) in 2006, the two countries were involved in a bitter diplomatic row, which originates of course not from the murder itself, but in the UK's sheltering of some of Russia's [accused criminals](#). This conflict would hardly be hailed by Ivan 'The Terrible' IV, who started correspondence with Elizabeth 'The Virgin Queen' I as early as in 1581. However, the resolving of oil giant TNK-BP's long-running [shareholder dispute](#) and dropping of charges against the [British Council](#) are definitely good signs.

Gas supply history: despite having to comprehend complicated barter schemes to have their gas reach the UK, Gazprom has never even considered dropping its not-at-all friendly to Russia client.

Reaction to the latest crisis:

8.01. British opposition accuses Gordon Brown's government of 'complacency' over its declaration that Britain will be unaffected by the gas crisis.

Country: France

Russian gas consumption: 10.1 (as of 2007)

Relations with Russia: Fairly good.

A considerable number of joined and trans-national enterprises (like Société Générale - the biggest foreign bank in Russia) and the scheduled launch of Soyuz from French Kourou spaceport indicate a healthy economic relationship between two countries. It was none other than French President Nicolas Sarkozy, who mediated the peace plan that [brought ceasefire](#) in the South Ossetian conflict. Also Sarkozy has [repeatedly spoken against](#) conflicting with Russia.

Gas supply history: Russia is France's second-biggest supplier of crude oil and natural gas and France never had any reasons to complain.

Reaction on the latest crisis:

8.01. The office of Prime Minister Francois Fillon released a statement, describing supply cut as Moscow's 'failure to respect contract', while Sarkozy joined the voices calling for Russia to resume the gas supplies.

Country: Finland

Russian gas consumption: 4.9 (as of 2006)

Relations with Russia: Building to positive.

A part of Russian Empire for 108 years Finland ended its Russian period becoming a beacon of Western security in the region. However that is now also history, as Finland never attempted to join NATO or take part in suspicious missile defence projects. With the latest surge of attention toward [Russia's Finno-Ugric nations](#) and an ever-increasing bilateral trade Finno-Russian relations looks bound improve.

Gas supply history: The little gas Finland needs (Finland is the third least dependent on natural gas in EU) comes mostly from Russia and up until now Finland looked perfectly

content with deliveries and even [opted to participate](#) in the Nord Stream project that would bring gas directly to Finland.

Reaction on the latest crisis:

8.01. Sebastian Sass, permitting manager at Nord Stream, stressed its importance for 'securing a reliable gas supply in Europe'. Meanwhile, according to Finnish law, power plants and industrial establishments have alternative fuel (oil) stocks for three months consumption, so Fins might grab their popcorn and watch the gas drama unfolding.

Country: Netherlands

Russian gas consumption: 4.7 (as of 2006)

Relations with Russia: Fairly neutral.

Ever since Peter 'The Great' I, the Dutch were a source of r&d and a major trade partner for Russia, but little more than that.

Gas supply history: A clash between Gazprom and the Royal Dutch Shell over [the controlling stake](#) in the massive Sakhalin-2 project had a risk of jeopardising gas supply to Netherlands, but Russian side held its contract obligations and now things look way brighter. Though a major gas exporter itself, Netherlands now look forward to increase the amount of gas they receive from Russia, as its own gas supply will be depleted in 12-17 years. So the Dutch are major Nord Stream enthusiasts and since November 2007 a [shareholder of the project](#) as well. Moreover Netherlands agreed with Gazprom on developing a key [underground gas storage](#) that will work specifically with NS.

Reaction on the latest crisis:

1.01. Dutch energy ministry said it expects no impact from the gas crisis.

Country: Austria

Russian gas consumption: 4.0 (as of 2008)

Relations with Russia: Fairly neutral.

Gas supply history: Austria was the first country in Western Europe to start buying Russian gas in the 1980s and didn't come to regret it. "Our experience is that Gazprom has supplied Austria and Europe for the last 20 years in a very reliable way," Wolfgang Ruttenstorfer, Chief Executive of Austrian gas monopolist [OMV has recently said](#). A third of all Russian natural gas exports to Western Europe (50 billion cubic metres) pass through the Baumgarten station in Austria.

Reaction on the latest crisis:

12.01. OMV didn't give a confirmation on receiving 4.2 million cubic metres of gas earmarked for Serbia and Bosnia and Herzegovina so Hungary that gets its gas from Austria halted deliveries to two Balkan countries. Later the confirmation was received and deliveries continued.

10.01. OMV reported a 10% reduction in natural gas supplies to Austria.

3.01. OMV declared that it has a four-months supply of natural gas.

Country: Belgium

Russian gas consumption: 3.2 (as of 2006)

Relations with Russia: Fairly neutral.

Though Belgium has attempted to claim compensation for pre-October Revolution bonds through court, [it also opposes](#) Georgia joining NATO. Otherwise the only thing that the two countries argued about in 2000s was the dominance in women's tennis.

Gas supply history: In mid-2008 Gazprom received permission from the Belgian authorities to supply natural gas to the country's major industrial enterprises, while there is also talk of Gazprom building an underground storage.

Reactions to the latest crisis:

6.01. Joachim Coens, head administrator of the Belgian port of Zeebrugge, declared that his port has all the capabilities to supply Western Europe with liquid gas from United Kingdom, Norway and Qatar.

Country: Greece

Russian gas consumption: 2.7 (as of 2006)

Relations with Russia: Good, thank God.

Spiritually connected by neighbouring branches of Orthodox Christianity, the two countries cooperate on various economic and cultural initiatives, with Greek PM Kostas Karamanlis a frequent partner in meetings with Putin.

Gas supply history: In August 2007 Russian gas supplies to Greece were halted due to [a pipeline explosion](#) in Bulgaria, but Gazprom's Bulgarian partners promptly restored the damaged section of the pipe. The incident didn't harm Greece's [intention to participate](#) in the South Stream project. However Greece is also involved in [joint projects](#) with Turkey to diversify its gas supplies. Many Greek enterprises can still work with oil, which – with gas supplies halted – is a bonus.

Reactions to the latest crisis:

3.01. Karamanlis discussed Ukrainian gas transit in a phone talk with Putin.

2.01. Konstantinos Rallis – director Greek Foreign Minister's Diplomatic Cabinet – met with the Russian and Ukrainian Ambassadors in Greece, expressing Greece's hope for the prompt settlement of the issue.

Country: Slovenia

Russian gas consumption: 0.6 (as of 2007)

Relations with Russia: Fairly neutral.

Some \$US 2 billion worth of mutual trade ensures a positive outlook for Slovenian-Russian relations.

Gas supply history: Slovenia is not as dependant on gas as many of its neighbours, as it still utilises power from its nuclear plant in Krško, which hit the headlines in June after a [leak of coolant](#). According to EU plans, the nuclear plant will be shut down in 2023, so Slovenia is in [negotiations to join](#) the South Stream project.

Reactions to the latest crisis:

12.01. Economy Minister Matej Lahovnik said Slovenia needs 'as many independent sources of oil and gas as possible'. He added that the South Stream pipeline does away with dependence on the Russian-Ukrainian dispute, but keeps in place their dependence on Russian gas.

Country: Switzerland

Russian gas consumption: 0.4 (as of 2006)

Relations with Russia: Neutral amid court meetings.

Notorious prosecutor [Carla Del Ponte](#) – the first public figure in Switzerland to require round-the-clock protection – with her aim to fight money laundering worldwide managed to arrest ex-head of Administrative Board of Russia's President [Pavel Borodin](#) accused of receiving \$US 25 million in kickbacks for Kremlin repairs. Borodin's arrest in the U.S. in early 2001 and his extradition to Switzerland had a potential risk of ruining relations between the two countries, just like the issue of the Swiss company Noga, which repeatedly [requested the seizure](#) of Russian property in different countries. Eventually the case against Borodin was closed with him paying a modest \$175,000 fine, and Noga returned all Russian property and [compensated damages](#). Following the stand-off in diplomatic relations between Russia and Georgia, Switzerland [kindly agreed](#) to represent Russia's consular interests in Georgia and Georgia's in Russia. Many Russians, including people of note like internationally acclaimed writer [Mikhail Shishkin](#), reside in Switzerland.

Gas supply history: With imported gas accounting for only 12% of Swiss energy consumption and Russia being just one of four suppliers, the country is hardly a significant importer of Russian gas.

Reactions to the latest crisis:

7.01. Swissgas CEO Ruedi Rohrbach said his country will survive the supply cut: "Switzerland is in no way dependent on supplies from Russia," he said.

4.01. Swiss Gas Industry Association expressed concern over the lowering pressure in gas pipelines from Russia: "The illegal taking of gas [by Ukraine] is a flagrant violation of existent agreements, so we think that Gazprom's decision to appeal to the Stockholm Arbitration Court is founded," a spokesperson said.

Country: Turkey

Russian gas consumption: 27.3 (as of 2008)

Relations with Russia: Fairly neutral.

Gas supply history: Russia is the main supplier of natural gas, delivering about 40 million

cubic metres a day via Europe and 35 million cubic metres of liquefied gas a day via the Blue Stream pipeline. After Ukraine shut off the pipeline Turkey had to take 4.3 million cubic metres of gas daily from its reserves, then Russian increased the volumes sent to Turkey by the Blue Stream network.

Reaction to the latest crisis:

14.01. "Turkey continues talks with both parties. Turkey does its best for a solution." Turkish Minister of Energy & Natural Resources Hilmi Guler took a neutral position.

Country: **Hungary**

Russian gas consumption: 13.8 (as of 2008)

Relations with Russia: Fairly neutral.

After a minor trade disagreement tainted with a dash of politics at the beginning of the century both countries found a way to peacefully and fruitfully collaborate in trade, industry, sports, arts etc...

Gas supply history: Hungary used to have its own natural gas production in 1960-1970, which peaked in the 80s. Since then domestic demand is satisfied by imports. 60 percent comes from Russia. Hungary supports the Russian pipeline project 'South Stream' - already underway - that will deliver gas bypassing Ukraine, and 'Nabucco' - a pipeline planned by Caspian gas producers to bypass Russia. Hungary has substantial gas storages that have proved to be a cushion following the cut-off.

Reactions to the latest crisis:

13.01. The Hungarian government plans to assist the country's companies in their lawsuits against Ukraine aiming to receive compensation for damages resulting from Ukraine's stoppage of Russian gas deliveries. This clearly shows who Hungary thinks is to blame for the lack of gas.

12.01. Having not received confirmation on receiving 4.2 million cubic metres of gas earmarked for Serbia and Bosnia and Herzegovina, Hungary halted deliveries to the two countries. Later the confirmation was received and deliveries continued.

Country: Poland

Russian gas consumption: 7.7 (as of 2006)

Relations with Russia: Dubious at best.

Poland signed the deal to host part of the US anti-missile [defence system](#) seen as an offensive one and strongly opposed by Russia. Poland was an avid supporter of Georgia during the war in South Ossetia and is one of the two countries blocking a [new Russia-EU agreement](#). A noticeable worsening of relations came in 2005 after Moscow banned meat imports from Poland saying the poor quality of the product was [hazardous to health](#). Poland is still not over the events of WWII, when Stalin ordered the execution of thousands of [Polish officers](#), though Russia has officially acknowledged the fact and apologised for it.

Gas supply history: Almost a half of Poland's annual gas needs are supplied by Russia. After the gas supplies via Ukraine were stopped, almost the same amount was sent to Poland by Belarusian pipelines. Some restrictions for industrial users have been introduced.

Reaction to the latest crisis:

14.01. The prime-minister Donald Tusk announced the latest gas crisis made Poland decide to build its first nuclear power plant.

7.01. The speaker of Polish parliament Bronislaw Komorowski said the country will have to agree to North Stream construction, however reluctantly, as the "crisis that existed in Russia-Ukraine relations concerning the gas price and resolved by a compromise earlier, this time may have long-term consequences".

Country: **Czech Republic**

Russian gas consumption: 7.2 (as of 2007)

Relations with Russia: **Swinging.**

The 'Prague spring' of 1968 is remembered by Czechs as a case of Soviet repression, though the use of force was initiated by Poland and the Eastern European Republic. During Soviet times the USSR was one of the main markets for Czech goods, and now local produce found its place in Russian market as well. In the beginning of the 90s the new leaders of Russia and the Czech Republic went through a period of mutual accusations and diplomatic conflicts. The change of leadership somewhat thawed the Russia-Czech relations. Now the issue of U.S.-proposed anti-missile shield divided Czech society into supporters hotly protecting it as an asset in fighting Russia and protestors claiming the shield is actually a hazard to Europe and an excuse to put rockets close to the Russian border - a position Moscow shares.

Gas supply history: In the Soviet times the USSR was the only supplier of incredibly cheap gas. Now about 80 percent of the fuel comes from Russia. The main transit route delivering gas via Ukraine was shut off. The country has to tip into its reserves, said to be enough to last industries and homes for a few weeks.

Reactions to the latest crisis:

The Czech Republic is the new president of the European Union, which is the major mediator in the Russia-Ukraine gas conflict and thus refrains from taking sides or making attitudinal comments.

Country: **Slovakia**

Russian gas consumption: 7.0 (as of 2006)

Relations with Russia: **Fairly neutral.**

A decade ago Slovakia became the first eastern European country to have a 'colour revolution'. The country broke up with Russia and turned West to EU and NATO, but in the last few years after coffins started arriving from Iraq the situation changed dramatically. Now Slovakia can be called Russia's main partner in Central Europe: it did not allow American to place AMD elements on its territory and supported Russia's position on Kosovo,



South Ossetia and Abkhazia.

Gas supply history: Almost all of the gas delivered to Slovakia comes from Russia via Ukraine. It's one of the regions hit most by the disruption of supplies. The country is preparing to restart a nuclear power station that was closed down last year on the request of the EU. The compromise allowing Ukraine to deliver gas to Slovakia to be later compensated with the same amount of fuel by Russia is being discussed.

Reactions to the latest crisis:

Prime Minister Robert Fico said that both Russia and Ukraine have their points, but they are more accusations than facts. "The talks in Kiev and Moscow showed that the dispute between Ukraine and Russian Federation is very deep, is political in principle, and it seems not even the European Union is able to immediately resolve it," he said.

Country: Romania

Russian gas consumption: 5.5 (as of 2006)

Relations with Russia: Hanging in balance, and soon to be tested.

With a \$5 billion trade turnover, the two countries cooperate in economic areas, but outside business joint initiatives are only cultural. Moscow and Bucharest are cautious about addressing issues like the Romanian Treasure – a collection of valuable objects Romania sent to Russia for safekeeping during WWI and which never returned in totality.

Gas supply history: Romania looks forward to the Nabucco gas pipeline to lessen its dependence on Russian gas. However some believe new developments during the 2009 crisis may bring a shift of position among Romanians.

Reaction on the latest crisis:

13.01. Romania's President Traian Basescu tells Russian Prime Minister Vladimir Putin on the telephone that he shares his view that Kiev is responsible for the gas crisis.

12.01. Basescu receives an invitation from European Commission President, Jose Manuel Barroso, to take part in talks on gas and other issues.

9.01. Following his phone conversation with Basescu, Putin makes Romania an offer: 'I have a counterproposal to Romania which is hard to refuse. Please convey to your President that we can sell the equivalent of Ukraine's annual consumption to your state company, and you can then sell it on to Ukraine,' he told a Romanian journalist at a news conference.

8.01. Basescu holds a phone conversation with Putin.

Country: Serbia

Russian gas consumption: 3.6 (as of 2006)

Relations with Russia: Past their peak.

When the NATO bombings of Serbia that claimed the lives of 1,500 civilians [started in 1999](#) Russia was virtually the only country that backed Serbia. On 12 June Russian soldiers took Kosovo's Slatina airport, leaving British NATO forces shocked. Yet as Russian political support failed to bear fruit, and Kosovo declared independence, which was recognised by

many countries, Moscow's status as Belgrade's main international partner gradually crumbled. Certain Serbian media have even labeled the \$500 million investment received by their country in 2000-2006 'excessively active'.

Gas supply history: In November, when the world economic crisis was rampant, Gazprom announced it doesn't plan to [deal with debts](#) and that countries which have gaps in their gas budgets – such as Belarus, Serbia and Hungary – should seek a solution. Serbia found its solution quickly enough. By December Gazprom had acquired [a controlling stake](#) in Serbian gas company NIS for \$560 million plus future investments, and committed to routing its South Stream pipeline through Serbia, as well as investing in a gas storage facility.

Reaction on the latest crisis:

14.01. The head of Serbia's national gas company says Ukraine bears the main responsibility for blocking Russian gas supply. Dusan [Bajatovic indicated](#) Serbia is now looking at taking legal action against Ukraine – after many residents have been left without heating.

12.01. Having not received confirmation of receiving 4.2 million cubic metres of gas earmarked for Serbia and Bosnia and Herzegovina, Hungary halts deliveries to the two countries. Later the confirmation is received and deliveries are continued.

9.01. Western media make sure nobody misses the news about Serbs in the small town of Kragujevac burning the Russian flag in rage, after their newly installed gas heating system proves useless as gas supplies are cut.

Country: Bulgaria

Russian gas consumption: 3.5 (as of 2008)

Relations with Russia: Calmly positive with potential second thoughts.

One of Russia's former firm communist allies, Bulgaria is now a devoted democracy, EU and NATO member. Though cultural ties remained throughout the 1990s, relations were strained. In the last couple of years however things have started to get better. 2008 was the Year of Russia in Bulgaria, timed to coincide with the 130th anniversary of [Bulgaria's liberation](#) from Ottoman rule by the Russian Army. It started with Vladimir Putin's visit to Sofia, that did a lot to give Russian-Bulgarian relations a new lease of life.

Gas supply history: Putin signed a deal on [Bulgaria's participation](#) in the South Stream project. For a country importing more than 80% of its gas from Russia, it's never a bad idea to have an alternative route. Bulgaria is also actively backing the Nabucco pipeline.

Reaction on the latest crisis:

14.01. Bulgaria is among the countries who [suffered the most](#). Together with Slovakia and Moldova Bulgaria has called on Russia and Ukraine 'to resolve their gas transit dispute as soon as possible'. 'It is a bilateral row, and the issue of trust in Ukraine and Russia could become one of the main risks,' their joint statement said. Meanwhile Bulgarian Prime Minister Sergey Stanishev met with his Slovak and Russian counterparts Robert Fico and Vladimir Putin and then flew to Kiev.

13.01. Stanishev commits to taking part in a Nabucco summit in Budapest in late January.

8.01. Russia's President Dmitry Medvedev has a phone conversation with his Bulgarian counterpart Georgi Parvanov.

Country: **Croatia**

Russian gas consumption: 1.1 (as of 2006)

Relations with Russia: **Fairly neutral.**

Russo-Croatian relations have been mainly centered on trade. Oil and gas are Russia's major export commodities to the country, while Croatia has supplies drugs and food products. In the last three years Croatia's construction companies have become active on the Russian market. The country is also a popular destination among Russian tourists.

Gas supply history: As part of the former Yugoslavia, Croatia was heavily dependent on gas supplies from the Soviet Union. Becoming an independent state, it has sought to diversify its energy supplies. Russia now fulfils 40 percent of Croatia's gas needs. A state of emergency has been declared following the interruption of gas deliveries. Supplies to large industries have been cut with local reserves only able to keep the country going for another few weeks.

Reactions to the latest crisis:

13.01. Prime Minister Ivo Sanader said that negotiations were underway with gas exporters in North Africa.

Country: **Bosnia and Herzegovina**

Russian gas consumption: 0.4 (as of 2006)

Relations with Russia: **Fairly neutral.**

Russia strongly opposed the NATO bombing of Bosnia. The countries are on neutrally friendly terms. Travel between the countries is visa-free.

Gas supply history: Bosnia and Herzegovina is 100 per cent dependent on Russian gas. The crisis has left one third of the population without heating, and some factories cannot function. The country has no gas reserves. After the NATO bombings much of the infrastructure is still in ruins.

Reactions to the latest crisis:

10.01. Bosnia and Herzegovina started receiving gas deliveries from Germany. However, on Friday or Saturday, German energy company E.ON Ruhrgas is expected to halt emergency supplies.

Country: **Macedonia**

Russian gas consumption: 0.1 (as of 2006)

Relations with Russia: **Fairly neutral and uneventful.**

Gas supply history: Macedonia is fully dependent on gas supplies from Russia, though only one percent of its energy supply comes from natural gas. The cut of gas flow by Ukraine has made the country's main steel exporter halt production. Alternate fuels are used for heating.

Reactions to the latest crisis:

The authorities expressed hope the pressure in the pipeline will be restored in 36 hours after the dispute is resolved.

Country: **Ukraine**

Russian gas consumption: 59.0 (as of 2006)

Relations with Russia: **Disastrous.**

Once sister nations taking root from a common historical past, now they are two irreconcilable adversaries on pretty much any subject. After its '[Orange Revolution](#)', Ukraine's government has taken to denying everything Russian and blaming its big neighbour for all its failures, and even historical tragedies. [The Great Famine](#) of Stalin's time is now considered a case of genocide against Ukrainians by Yushchenko & Co., though it affected many other former Soviet republics, including Russia. The Ukrainian [militant groups](#) that supported Nazis in WWII and fought against the Red Army are celebrated as national heroes. The Russian language, spoken by a third of Ukraine's population, [was banned](#) from official use and mass media. Ukraine blamed Russia for starting the [war in South Ossetia](#). The long-lasting dispute on the [Russian naval base](#) in Crimea seems to have no end either.

Gas supply history: After the breakup of the Soviet Union Ukraine became a major transit partner, servicing 35 thousand kilometres of pipelines. It is the largest transit venue for Gazprom, carrying 120-130 billion cubic meters of gas annually. To pay for the transit Russian sends 30 billion cubic metres of gas, worth about \$US 1.5 billion, to Ukraine (which in turn is 40 per cent of the Ukrainian budget's income). The problems with supplies started in 1995. Russia has continuously restructured the debt of Ukraine. The latter was caught on numerous occasions reselling the gas meant for domestic consumers to Europe at a higher price. In several cases Ukrainian authorities did recognise the stealing of gas from the transit pipelines, and most of the previous conflicts were solved, though the compromise was tough. The current disruption of supplies is the longest in the history of the Russo-Ukrainian relationship.

Reactions to the latest crisis:

Ukraine is sending Russia paper after paper with new demands, often contradicting everything said earlier. Compromise solutions offered by Moscow are flat-out rejected by Kiev, and temporary supply schemes are being pushed through by European mediators.

Country: Belarus

Russian gas consumption: 20.5 (as of 2006)

Relations with Russia: Brother-states.

Belarus is probably Russia's number one ally throughout the years. Roughly half of Belarusian export goes into Russia, which means the two countries are virtually inseparable economically. There has even been talk of introducing a common currency. Culturally, Russia is even closer to Belarus than to Ukraine. Belarusian President Aleksandr Lukashenko is on reasonably good terms with Russia's Medvedev and Putin.

Gas supply history: Belarus survived a gas crisis of its own in the dying days of 2006. The country simply did not have enough money to pay the market price Gazprom named. Still

both sides were in a constructive mood – one wanted to sell gas, while the other wanted to consume and transport it (Belarus transports some 20-30% of Russian gas supplies to Europe) – so very soon a compromise was reached. Some Belarusian gas facilities and half of the country’s transit pipeline network were [sold to Gazprom](#). In November 2008, when the world economic crisis was raging, Gazprom announced that it doesn’t plan to [deal with debts](#) and that countries with gaps in their gas budgets – such as Belarus, Serbia and Hungary – should seek a solution. When Lukashenko met Dmitry Medvedev in Moscow in December, however, he announced that Gazprom [will cut prices](#) for his country. ‘They will fall significantly [...] and will be acceptable to us,’ he said, without quoting a specific price.

Reaction on the latest crisis:

15.01. A further increase of 10.1 million cubic metres a day is made.

1.01. Gas supplies through Belarus are increased by 25%, or 25 million cubic metres a day.

Country: Kazakhstan

Russian gas consumption: 6.5 (as of 2006)

Relations with Russia: Rather good.

Russian-Kazakh ties have been flourishing as has the amicable relationship between Kazakh President Nursultan Nazarbaev and Russia’s Medvedev and Putin. In 2008 the countries [renewed partnership deals](#) in energy, space and military areas, which gave the long standing friendship a new twist. Russia and Kazakhstan share a 7,000-kilometre-long border. Some say Kazakhstan might well become a third member of the Union of Russia and Belarus.

Gas supply history: No go-betweens – no problems.

Reaction on the latest crisis: none.

Country: Azerbaijan

Russian gas consumption: 4.0 (as of 2006)

Relations with Russia: Cautious.

Azerbaijan plays a key role in the Caucasus due its resources and location. It has become a meeting-place not only of energy routes, but also of geopolitical interests – mainly those of Russia and the U.S. Washington’s priorities in the region are connected with oil and gas. For a long time the U.S. has been looking for ways to bypass Russia’s energy routes, and Azerbaijan is a crucial part of the plan. One Western-sponsored pipeline is already pumping Caspian oil from Azerbaijan through Georgia to Turkey’s Mediterranean coast, and there are plans for more. However, President Aliiev is careful not to rock the boat since Russia is an old ally and neighbour – and the much talked-of Nabucco project is still a pipe-dream. ‘We all live in this region and no one intends to move out. That’s why we need to look for effective interaction, cooperation, and neighbourly relations. I’d like to repeat that if all relations between neighbours were like those between Russia and Azerbaijan, I assure you, there would be no misunderstandings – not to mention conflicts,’ he said during his visit to Moscow in September 2008.

Gas supply history: Azerbaijan is itself rich in oil and gas. However, the country imports

Russian gas as well as transiting it to other states. Azerbaijan is also holding talks on the Nabucco project aimed at supplying Europe with Central Asian gas, bypassing Russia. However, the market feasibility of Nabucco has been undermined by the Russian South Stream gas pipeline project. This pipeline is designed to carry gas from the Caspian basin (Azerbaijan, Turkmenistan and Kazakhstan) into Italy, thus furthering Russia's domination of the EU natural gas market. Deliveries through the South Stream pipeline are expected to start in 2013, roughly at the same time as Nabucco.

Reaction on the latest crisis: none.

Country: Lithuania

Russian gas consumption: 2.8 (as of 2006)

Relations with Russia: Could be better.

Cold throughout the early 1990s, ties between the countries have recently seen a number of breakthroughs, which have resulted in the signing and ratification of important bilateral treaties. Both countries have also taken steps to tone down hostile rhetoric at home.

Gas supply history: There have been no significant interruptions of gas supplies to this Baltic state. The likelihood that Lithuania may one day end up like other European countries, which are not receiving gas, is very low.

Reaction on the latest crisis:

7.01. Lithuania refused to take sides, criticising both parties: "Ukraine's statements on its need to take part of the gas are strange, as are Russia's claims that Ukraine is stealing such a large volume of gas - the reduction of gas supply was smaller than the volume needed by Ukraine," said the head of the representative office of the European Commission in Lithuania Klastukis Sadauskas.

Country: Moldova

Russian gas consumption: 2.5 (as of 2006)

Relations with Russia: Gaining momentum.

Moldova and Russia have recently been able to find mutually acceptable solutions in vital areas of cooperation, such as energy and trade. But there remains a crucial issue, which could bring a brand new twist to their relations - the [Transdniester](#). Last March, Russia's State Duma preliminarily approved [a draft statement](#) on the recognition of Transdniester province as an independent state. Nevertheless, at a meeting between Russia's Prime Minister Vladimir Putin and the Moldovan President Vladimir Voronin [common ground](#) was found. While Russia no longer pushed with its recognition, Transdniester and Moldova agreed to continue peace talks with Russia as the only mediator, where previously Ukraine, the OSCE, EU and U.S. had also been involved.

Gas supply history: All gas to Moldova is transported via Ukraine. Though Moldova has current energy contracts with Russia, gas supplies to the country have been interrupted by Ukraine several times.

Reaction on the latest crisis:

14.01. Moldova was among the countries who suffered the most. Together with Slovakia and Bulgaria, Moldova has called on Russia and Ukraine “to resolve their gas transit dispute as soon as possible”. “It is a bilateral row, and the issue of trust in Ukraine and Russia could become one of the main risks,” the joint statement said.

Country: Georgia

Russian gas consumption: 1.9 (as of 2006)

Relations with Russia: Worse than those between a cat and a dog.

After the 2003 Rose revolution the countries’ relations steadily declined. Mutual unfriendliness culminated in August 2008, when Georgia brought its troops into the breakaway republic of South Ossetia. Russia, which was operating under an OSCE mandate, opposed Georgia and defended the republic’s civilian population. Following the five-day conflict Georgia interrupted its diplomatic relations with Russia, which have not yet been restored.

Gas supply history: Despite political tensions, Russia has supplied Georgia with gas uninterrupted, while Georgia conscientiously fulfilled its obligations as a transit country. Still the sticking point remains: Georgia’s [gas transit to South Ossetia](#). Georgia cut the gas supply to South Ossetia during the August conflict under the pretext of alleged major damage to the gas distribution system. South Ossetia announced last October that the gas pipeline had been repaired. Meanwhile, a source in Gazprom says Tbilisi is ready to resume the gas supplies soon.

Reaction to the latest crisis:

14.01. So far Georgian leadership has abstained from any comments on the issue.

Country: Armenia

Russian gas consumption: 1.7 (as of 2006)

Relations with Russia: Nothing short of excellent.

The [military cooperation](#) between the two countries is massive. During the Georgian political crisis in 2003, the two countries’ defence ministers signed agreements deepening their military cooperation, while Russian Foreign Minister Igor Ivanov called Armenia “Russia’s only ally in the South”. Trade between Russia and Armenia has also greatly increased in recent years, while [cultural ties](#) can be called exemplary.

Gas supply history: Currently Russia is the [only supplier](#) of natural gas to the country, but it will soon have access to Iranian supplies through the recently opened Armenia-Iran pipeline, which is owned by Gazprom. This will strengthen Armenia’s energy security, which suffered once again this January, when a pipeline leak in a Georgian pipeline halted gas deliveries for four days.

Reactions to the latest crisis: none.

Country: Latvia

Russian gas consumption: 1.4 (as of 2006)

Relations with Russia: Stable cold.

Relations continue to be complicated by questions on the rights of the ethnic Russian minority in Latvia. The first half of 2007 saw slight improvement, mainly due to the signing of a border agreement between the two countries. Latvia, where native Russian speakers account for at least 30% of the population, treats Russian as a foreign language.

Gas supply history: Latvia is still fully dependent on Russian gas, and energy security is a vitally important issue.

Reaction on the latest crisis:

11.01. Latvia's Minister for Foreign Affairs, Maris Riekstins called for "the whole of the EU to jointly solve energy supply issues at the practical level in co-operation with the states of the Eastern Partnership".

9.01. There have been no significant interruptions of gas supplies to this Baltic state. However, Riga has been actively criticising Russia, saying the country is abusing its status of gas supplier, using it to achieve its political goals.

Country: Estonia

Russian gas consumption: 0.7 (as of 2006)

Relations with Russia: Disastrous.

Since the early 2000s governmental bodies of Russia have called [an investigation](#) into what they call 'a [glorification of fascism](#)' in Estonia and into discrimination against the [Russian-speaking minority](#) in the country, which has [brought the relations](#) between the countries to the horrible state they are currently in. The 2007 [exhumation of remnants](#) of Soviet soldiers in Tallinn led to condemnation from Russia and then to [mass protests](#) in [both countries](#), which led to the [murder of a Russian](#) citizen in Tallinn. In a nutshell – Russia dislikes Estonia's revisionism, while Estonia [has concerns](#) over its security.

Gas supply history: Even though Russia's decision to make railroad repairs that subsequently prevented oil and coal exports to Estonia, seen as economic sanctions by some as a result of the Bronze solder crisis, the gas to Estonia has always been supplied in time. Meanwhile Estonia has taken its time to [hamper the construction](#) of the Nord Stream as best it can.

Reactions to the latest crisis:

13.01. Estonia's President Toomas Hendrik Ilves met with Azerbaijani President Ilham Aliiev in Baku, stating afterwards that Azerbaijan is key to Europe's energy security.

9.01. Estonian environmental expert Marek Strandberg said that the country is not ready for a lengthy gas stand-off.

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