Europe Dependency on Russian Gas

Ana Maria Jaller-Makarewicz
19 May 2022
Since 2003, Europe Has Been Diversifying Gas Routes but Not Sources; and Transiting Through Ukraine Has Been Declining

Europe Dependency on Russian Gas

Source: JPMorgan via The Economist
On 24 February 2022, Russia Invaded Ukraine

Increase in imports from Feb to Mar
- Russia’s, 28%
- UK to EU, 43%
- Libya, 33%
- Azerbaijan, 17%
- LNG, 14%
- Norway, 6%
- Algeria, 5%

27 April 2022
Russia's Gazprom cut Poland and Bulgaria off from its gas over the countries' refusal to pay for gas supplies in rubles.
How Are Poland and Bulgaria Coping Without Russian Gas?

Poland
(around 10 bcm from Russia)

- Increase in eastwards flows from Germany to Poland
- LNG terminal working at 100% capacity
- **Storage** was at around 79% capacity at end of April and is 90% today

Bulgaria
(around 3 bcm from Russia)

- Flows from Azerbaijan
- LNG deliveries via Turkey and Greece could be possible sources of gas
Europe Is an Important Hub of Russian LNG to the Rest of World

**Zeebrugge LNG Terminal** is a transshipment point for Russian LNG

**2019**

**20-year transshipment contract** between Fluxys and Yamal LNG

**January and February 2022**

- 5 of 8 eight cargoes exporting Yamal LNG transshipped at Zeebrugge
- 7 of 8 were sent to buyers to rest of the world

*Source: Natural Gas World.*
Europe Continues Importing Russian LNG

Europe Dependency on Russian Gas

Source: entsog
“We should stop and do an analysis
• what infrastructure do we have?
• what can be used more and improved?
• instead of going crazy building, building and building”

“There’s a lack of planning as a whole continent together.”

Quoted in The Financial Times, 16 May 2022, “Europe’s push to plug its energy gaps”
Gas Demand in Europe Has Not Been Growing and Is Expected to Fall

Methane demand per sector for EU27 (TWh)

Source: entsog.
LNG Terminals Utilization Rate in 2022 Have Been 70% on Average

LNG imports have been growing, but there’s still spare capacity: Turkey, Greece, Spain, UK, Portugal

Source: entsog.
Ana Maria Jaller-Makarewicz
Energy Finance Analyst, Europe
Institute for Energy Economics and Financial Analysis
ajallermakarewicz@ieefa.org