

Title: Will China's quest for natural gas affect Europe's energy security?

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Overview:

The recent natural gas supply deal between Russia and China has raised the question of its potential to impinge upon European energy security. The aim of this paper is to evaluate this question by examining the volumes and sources involved, as well as the existing and planned infrastructure. The paper evaluates the energy plans of China, the natural gas production and infrastructure of Russia, and the European plans for energy security.

Method:

The paper draws on recent work by the European Commission on energy security, and examines the global energy outlooks of the IEA, EIA, BP, and ExxonMobil, as well as China's 12th Five Year Plan. It also examines recent work produced in a joint research project by Harvard University and Rice University on the geopolitics of natural gas, by the CSIS on new energy geopolitics, and by the Brookings Institute on fueling a new order. The paper evaluates the projected energy balances in the context of the publically stated plans of the three key players.

Results:

Preliminary results suggest that political and energy market issues closer to home (for Europe) are likely to affect its energy security more than China's energy decisions. The deal with China does not appear likely to interfere with natural gas supply availability to Europe from Russia in the near to medium term. The natural gas to be produced to fulfill the Russia to China deal is to come from Eastern Siberian fields, which are not currently linked to the pipeline system that supplies Europe. This has the potential to reduce the demand for LNG-sourced natural gas from Asia, which may then free up waterborne supplies to flow to Europe.

Conclusion:

Europe's energy security is only very remotely, at best, impacted by the recent natural gas pipeline supply deal between Russia and China. Nevertheless, Europe's aim to further promote internal production of natural gas and to further diversify its supply sources should be continued.

Sources:

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