

## GAS PIPELINES WAR

Marius-Cristian NEACȘU\*  
Silviu NEGUȚ\*\*

**Abstract:** This article is a sequel to the one in the previous issue, called “Gas War”. Research regarding the concept of “hard energy” is being continued in this study, this time not by analysing the balance of power between Europe, the “dependent consumer” and Russia, “sole supplier”, also known as the “political tap strategy”, but through a critical and interpretative analysis of the geostrategic games in relation to the diversification of the routes for Caspian energy projects. The results of this research show that the layout of the future gas pipelines is not an economic problem, but a (geo)political one, most of the time the economic feasibility studies giving way to the games of power. As we announced earlier, from geoeconomy, back to geopolitics.

**Key words:** Caspian energy, natural gas, *Nabucco*, *South Stream*, *North Stream*, Europe, Russia, Central Asia

### INTRODUCTION

In recent years, Europe has been facing what was generally accepted as the “gas war”. This study, a sequel to the previous one, entitled as such<sup>1</sup>, advances a critical analysis of the deployment of this conflict, focusing on the “great players”, but especially on the geostrategic “games” they play on the Eurasian energy scene.

The context is represented by the different vision over insuring Europe’s energy security, by diversifying the gas supply sources, but also its transport routes towards the European market.

Basically, there are two different positions in the matter:

- the European one, purely economical in nature, profit oriented, in the spirit of a non-zero sum game, “win-win” (we all win), which proposes *alternative routes to the Russian ones and direct access to the gas fields of Central Asia* and
- the Russian one, geoeconomical and geopolitical, in virtue of some well defined strategies in the logic of a zero sum game (my win is my enemy’s loss and vice versa): *supplying the European market with gas only from Russia or the Central Asian Caspian area, but intermediated by Russia, through pipelines also controlled by ... Russia.*

---

\* Correspondence Address: Academy of Economic Studies of Bucharest, Faculty of International Business and Economics, 41 Dacia Av., District 1, 010404 Bucharest, Romania, e-mail: marius.neacsu@biblioteca.ase.ro

\*\* Academy of Economic Studies of Bucharest, Faculty of International Business and Economics, 41 Dacia Av., District 1, 010404 Bucharest, Romania, e-mail: silviu.negut@gmail.com.

<sup>1</sup> Silviu Neguț, Marius-Cristian Neacșu (2009), *Gas War*, in “Romanian Review on Political Geography”, 11<sup>th</sup> year, No. 2, pp. 176-189.

The area the gas is supposed to transit between Russia and Europe could be imagined as a “hinge”, with the flexion point being the “near abroad”, further complicating the already complicated general context of the supplier (Russia) and consumer (Europe) <sup>2</sup> relation:

- on the one hand, this space is rather vulnerable and with a yet unpredictable behaviour in the international relations area, formed by ex – U.S.S.R republics (Ukraine, Belarus, Central Asian republics, with particularities given by their ethnical and religious component etc.) caught between exercising Moscow’s political gravity and the Western “mirage”;

- on the other hand, the state’s direct influence and interference in Gazprom’s economic strategies, Russia practically resorts to “institutionalising” the European Union’s energy dependency (Volovoj, 2007)<sup>3</sup>, both through the monopoly exerted on the above named company, this functioning as a pressure instrument on the regional geopolitical scene, and by attempting to control the physical energy infrastructure on EU’s territory.

At the same time, Russia pursues a “divide et impera” strategy, persuading European countries one by one, preferring contracts and bilateral relations with each country, not with EU as a single player.

The intention is obvious: fragmenting and preventing the realisation of a European solidarity in terms of a joint energy policy (a united gas market that, currently, doesn’t exist). Thus, Russia is showing interest in military technology – “Mistral” frigates from France (which is 20 % dependent on Russian gas<sup>4</sup>), negotiates directly with Germany, the largest European gas importer (40 % of the national consumption is imported from Russia), without inviting the other European partners (“affected” in one way or the other by the decision of the two), in relation to the *North Stream* gas pipeline (a project initiated by Russia). It also adopts multiple positions in relation with other EU member countries, with a not so influent position. For example, Romania was numerous times “offered”, in order to solve the Republic of Moldavia’s situation, the plans Belkovski, Kozak, which were clear geopolitical traps; then, time and again, was invited to participate in the Russian project *South Stream*, a rival to the Western one, *Nabucco* – a strategy used with other countries as well, individualising the attempt to transform future partners on *Nabucco*’s layout rivals to themselves. This differentiated favouring is against the European spirit, which implies a reciprocal economic advantage – the essence of the European Union’s existence.

On the other hand, USA is interested as well in the geostrategic games played on the Eurasian scene, especially after the recent events, such as the Russian intervention in Georgia (August 2008), which has shown that U.S.S.R’s heir is not willing to take a passive position in regards to shaping a post- Cold War international order, by firing a warning shot towards the Western advance in its sphere of influence (a possible NATO expansion by including Ukraine, Georgia etc.), coupled with Europe’s ambiguous position, too dependent on Russia’s gas.

<sup>2</sup> For example, in 2008, 25 % of all the energy consumption in the EU originated from natural gas, 87 % of which was imported or transported through pipelines (Eurogas, 2010).

<sup>3</sup> Vadim Volovoj (2007), *Building Energy Security in the Baltic, Caspian and Black Sea Regions* [on-line], Public Agency: The Centre for Geopolitical Studies, Lithuania: Geopolitika (up-dated 13 Feb 2007, available at <http://www.geopolitika.lt/?artc=27>).

<sup>4</sup> Silviu Neaguț, Marius-Cristian Neacșu (2009), *op. cit.*, p. 186.

### **GREAT PLAYERS ON THE EURASIAN ENERGY SCENE**

At first glance we could classify them as follows: Western – Russia – Orient, as *major players*, each with different geopolitical ambitions in the process of reshaping and realigning the regional geopolitical architecture after the end of the Cold War and its bipolar logic.

The nuance with which this problem is tackled is individualised by access to energy resources, especially natural gas, currently a strategic resource, which, at least for now, represents a relatively cheap and ecological way of sustaining economical development. The problem: resources are concentrated in Russia and the Caspian region (Central Asia), claimed by U.S.S.R's "grand heir" (as part of its sphere of influence), but also by large Western consumers – Europe or even Eastern ones – China, Japan (in terms of access to gas fields). The geostrategic games between these players strongly affect the geopolitical destiny of Central Asia.

Russia wants to assume the role of sole natural gas supplier, especially on the European market (to fuel strong economies), but, in prospect also aims for the Eastern market (the most dynamic emergent economies, such as the Chinese one).

The Western priority is to activate the Caspian-European transit corridor, a process catalysed by the "gas war" between Russia and Ukraine (currently the country of transit): the European Union wants a guarantee for its energy security by diversifying transport routes and supply sources (the high profile project of the *Nabucco* gas pipeline), and the USA aims to open a diplomatic and economic corridor for the ex-Soviet Caucasus and Central Asian republics; Russia on the other hand tries to thwart these attempts, aiming to increase Europe's dependence on Russian gas or from other sources, but with Russia as an intermediary, and activating an "energy pincer" – *North Stream* (under the Baltic Sea) and *South Stream* (under the Black Sea), both directly under Russian control.

A significant importance in shaping the picture of the gas war is held by the *secondary players*, the Caspian and Central Asian space equation thus becoming more complicated.

Also, the relations between the Caspian riverside countries are pretty complex, on the one hand, regarding the status of the Caspian Sea (sea or international lake, with all the geopolitical significations), and on the other hand, as a derivative problem, litigations regarding the distribution of the continental plateau and the property over some hydrocarbons deposits here.

Basically, the Caspian Sea's status has become a problem after the collapse of the Soviet Union. Notwithstanding its size (371 800 km<sup>2</sup>) and the name of "sea", from a geographical point of view it is a lake basin (having no link with the Planetary Ocean). However, from a geopolitical point of view the significations are extremely interesting. Thus, there are two different visions:

- *Caspian Lake*. Russia considers the Caspian Sea an international lake and thus no riverside country can claim an exclusive economic zone from the continental plateau, no one can hinder the freedom of navigation and, most of all, all decisions must be taken in agreement by all the five riverside countries. Although for a long time there has been an opposition towards the sector division of the Caspian Sea, in 1996 Russia accepted to recognize an exclusive economic zone of 45 miles (83.34 km) for each country and to discuss with each one the national jurisdiction over oil and gas resources outside this area. This way, Russia could insure control over the production, transport and marketing of the hydrocarbons in the area.

Iran has a similar position, accepting the status of “international lake”, referring to the treaties of 1921 and 1940 signed with the Soviet Union.

- *Caspian Sea*. The other three countries – Kazakhstan, Turkmenistan, Azerbaijan consider the stretch of water a sea, and as such desire the application of the United Nations Convention on the Law of the Sea, from 1982, according to which every riverside country was to have territorial waters (12 maritime miles from the shore) and an exclusive economic zone of no more than 200 miles, therefore a sector division of the Caspian Sea.



Fig. 1. Riverside countries of the Caspian basin and their position over the status of the sea  
**Source:** Neacșu, 2010

So a possible Trans-Caspian pipeline (Turkmenistan – Azerbaijan preferred by the Western world, that will insure the necessary volume of natural gas that would be carried through *Nabucco*) must take into account this web of situations and problems, beyond the geopolitical reminiscences inherited from the Persian Empire (Iran) and the Tsarist Empire, later the Soviet Union (Russia) better laid out in a study entitled *Geostrategic Games on the Eurasian Energy Market* (Neguț and Neacșu, 2009)<sup>5</sup>.

<sup>5</sup> Silviu Neguț, Marius-Cristian Neacșu (2009), *Geostrategic Games on the Eurasian Energy Market*, in „The 2nd Russian-Romanian Scientific Conference. Russia and Romania: economics and education”, Bucharest, p. 73-80.

On the other hand the players involved in the geostrategic games of Caspian energy can be analysed, by increasing the “geographical resolution” (analysis scale) and through at least two other categories, as:

- *state players*, grouped by Dekmejian and Simonian (2003) in a concentric distribution: “the riverside countries circle”, above-mentioned, “the inner circle” – Afghanistan, Armenia, Georgia, Turkey, Uzbekistan and “the outer circle”, formed by: China and India (two great emergent powers), Ukraine, Pakistan, Israel, Saudi Arabia (regional players), plus the great powers group – USA, the other European countries and Japan<sup>6</sup>;

- *non-state players*: the large oil companies, some with private equity (for example, the German consortium RWE, involved in project *Nabucco*), others state owned (Gazprom being the most relevant example), regional blocks (EU, a player directly interested in the layout of the gas pipelines, but whose solidarity is greatly put to a test by Russia’s games – Germany, beach head for *North Stream*, Italy – advantaged by both projects, the European *Nabucco* and the Russian *South Stream*, to which we can add the commercial relations between the two countries and the friendship between the Italian PM Silvio Berlusconi and his Russian counterpart, Vladimir Putin, and so on (the above-mentioned authors have identified no less than eight such non-state entities<sup>7</sup>).

Based on their interests on the Eurasian scene of Caspian energy, the essence of the game being both the control of the natural gas production and the control of the pipelines through which it will be transported towards the European market, we can also classify the regional players as follows (Yazdani, 2006): “*oilers*” and “*gamers*”<sup>8</sup>.

### **GAS PIPELINES WAR. THE BEGINNING OF THE GAMES**

A second stage in the “gas war”, after insuring an increasing European dependence on Russian natural gas, by using the energy colossus Gazprom (the third transnational company worldwide in 2009, after Exxon Mobile and PetroChina, with a market value close to Norway’s GDP, in which the Russian state holds 50,002 % shares) as a powerful Russian “geopolitical tap”<sup>9</sup>, is the contest for the routes through which natural gas will reach Europe, from the Caspian region.

A close look at a current map of the gas pipelines shows Europe’s vulnerability (Fig. 2). The transit of Russian gas is achieved through two major corridors: one that transits Belarus (the gas pipelines Northern Lights and Yamal-Europe), the other one transits Ukraine (the gas pipeline Brotherhood).

The dispute between Russia and Belarus has started in January 2004 with Russia’s decision to take control of the gas transit towards Europe, in practice the control over the infrastructure on Belarus’ territory. Although Beltransgaz (state company at that time) advanced a proposition to sell 50 % of its shares to Gazprom, not being able to make a deal on the price of the transaction has led to shutting down gas delivery to Belarus and, inevitably affecting European consumers.

<sup>6</sup> R. Hrair Dekmejian, Hovann H. Simonian (2003), *Troubled Waters: The Geopolitics of the Caspian Region*, I.B. Tauris, London, p. 99, 115.

<sup>7</sup> *Idem*, p. 150.

<sup>8</sup> Enayatollah Yazdani (2006), *Competition over the Caspian oil routes: Oilers and Gamers perspective*, Alternatives: Turkish Journal of International Relations, vol. 5, no. 1-2, p. 51.

<sup>9</sup> Silviu Neaguț, Marius-Cristian Neacșu (2009), *op. cit.*, pp. 181-182.

The dispute with Ukraine was even bigger, unfolding in three major stages – 2006, 2008, 2009 (see Neaguț and Neacșu, 2009), the background of the problem being similar, but with another nuance: Ukraine’s Westernisation (“the orange revolution” in 2004) vs. a considerably bigger price for Russian natural gas. The result is well known – shutting down gas delivery to Ukraine until all debts towards Gazprom would be paid, having a similar effect as seen above: important economic losses for EU countries, making it very clear that opening an alternative transit corridor towards the Caspian region (implicitly other supply sources than the Russian ones, and a transport route not under Russian control) should be an absolute priority for Europe.

To this end, backing-up the only non-Russian existing connection – BTE (Baku – Tbilisi – Erzurum) gas pipeline<sup>10</sup>, which partially follows the layout of the BTC (Baku – Tbilisi – Ceyhan) oil pipeline, having as supply source the gas field Shah Deniz in Azerbaijan and which currently transports over 8.8 billion cubic metres (with the possibility to increase transported volume to 20 billion cubic metres in 2012) – has become a constant in the attempt to consolidate an integrated European energy strategy. This took shape in the Western project *Nabucco*<sup>11</sup> (a gas pipeline of 3 300 km, whose construction was proposed by Austria in 2004, transiting the territories of Turkey, Bulgaria, Romania, Hungary and Austria), as part of the EU high priority infrastructure project in the trans-European network<sup>12</sup>.

Russia “met Europe halfway” by launching two projects of its own in order to insure the diversification of the routes and bypassing Ukraine and Belarus: North Stream and Blue Stream II (in parallel with the already existent gas pipeline – Blue Stream, thus emphasising the attempt to create a Russian gas monopoly on Turkey’s market, in order to avoid the entrance of Caspian gas that could fuel *Nabucco*, or a future TGI, Turkey – Greece – Italy gas pipeline), in 2006, and next year, *South Stream* (directly connecting Bulgaria, when negotiations with Turkey failed).

If the two gas pipelines, the northern one (North Stream) and the southern one (*South Stream*) would be completed, Russia would catch Europe in an “energy pincer”.

The geostrategic games between the Western and Russian projects have begun with the supply sources: *Nabucco*, still with a major unknown element in regard to the natural gas supply points, but mainly aiming at the resources in Azerbaijan, while *South Stream* will be supplied directly from Russia.

The problem with Azerbaijan is that, at current production rates, it cannot sustain by itself the natural gas volume required to transit *Nabucco* so that the gas pipeline would be economically feasible and needs gas input from Turkmenistan.

Two more gas pipelines designed to connect *Nabucco* (through BTE) or *South Stream* to the Central Asian resource fields have come into conflict: the *Trans-Caspian* gas pipeline (the Western option, convenient because it avoids Russia, as well as Iran) and the *Pre-Caspian* gas pipeline (the Russian option).

<sup>10</sup> Also known as the “South Caucasus Pipeline”

<sup>11</sup> The name of the gas pipeline originates in Giuseppe Verdi’s 1841 opera in three acts, a show witnessed by the founding members of the project at a dinner in 2002, *Nabucco* being the abbreviation of Nabucodonosor the Second (Nebukadnezar), the Assyrian king, cca. 600 b.c. (Zeyno Baran, 2008, p. 7). The name’s significance is a parallel to the opera’s theme – the desire of freedom of the Jewish people (EU’s energy independence) while enslaved in Babylon, during the reign of the above-mentioned king (Russia).

<sup>12</sup> TEN (Trans-European Networks)



Fig. 2. Map of existent and designed gas pipelines in the Eurasian region

**Source:** Neacșu, 2010

The Caspian Sea underwater gas pipeline (Trans-Caspian) which was to connect Turkmenistan (Türkmenbaşy) and Azerbaijan (Baku), was initially proposed by USA in 1996, taking advantage of the vacuum of power left by the collapse of the U.S.S.R, in order to open the corridor towards Central Asia, but was strongly opposed by Russia and Iran, because of the complicated status of the Caspian Sea, in relation to its sector division, territorial waters transit and exclusive economic zones, to which we can add ecological risks, advocated in unison by the two opposing parties. The 2006 gas war has reactivated this project.

Russia's response came next year in December 2007 when it signed with Turkmenistan and Kazakhstan an agreement for a project to build a new gas pipeline, called Pre-Caspian, on the eastern shore of the Caspian Sea (1 700 km in length, out of which 500 km in Turkmenistan and the rest in Kazakhstan,

with a transit capacity of 40 billion cubic metres per year<sup>13</sup>) extending the current Central-Asian – Centre (CAC) system, which was to be connected to Gazprom’s existent infrastructure. If this project comes true, *Nabucco* has all the chances to remain only an empty pipe...

**Games.** *Russia – Turkmenistan (Central Asia).* The Central-Asian region, rich in energy resources has become, as we mentioned before, an interest pole for both the Western (USA, EU) and the Eastern (China) world, between them being interposed Russia’s “legit” interests. EU looks at the access to the region’s hydrocarbons resources as a viable alternative to the Russian one; USA has similar goals, but with a different logic (creating a beach head in Russia’s backyard, and a favourable position in relation to China, Iran, Afghanistan, Pakistan<sup>14</sup>). For this, the process of “Westernisation”<sup>15</sup> in Central Asia must continue.

Russia reacted using its geo-economical instrument, Gazprom, in an attempt to achieve its geostrategic objective, which was the increase of Europe’s energy dependence and creating a Russian monopoly on the European market of natural gas, in two ways: either European consumers imported only Russian natural gas, or they imported Caspian natural gas under Russian control, through an asymmetric relation between the Russian energy giant and the Central-Asian countries – geological prospects and technical assistance vs. marketing exclusively through Gazprom, a commitment signed for approx. 25 years: with Kazakhstan, since 2002, by creating a “joint venture” called KazRosGaz (between Gazprom and KazMunayGaz) and since 2006, for the Karachaganak deposit (16 billion cubic metres of natural gas per year being contracted for processing and marketing), with Uzbekistan, since 2004 for the Shakhpakhty deposit, for the Ustyurt field, with Turkmenistan, since 2003-2004, by relocating a Gazprom subsidiary here, with Kyrgyzstan, since 2003, and more recently, since 2007, for the Kugart and Mailu-Suu deposits (in the eastern part) and Tajikistan, since 2003<sup>16</sup>.

It’s worth mentioning the fact that in the equation of gas producers in the region Kazakhstan (thoroughly analysed by Yenikeyeff, in his 2008 study<sup>17</sup>) is more a space of transit than a significant producer (circa 30 billion cubic metres per year, from only 4 billion in 1994), in comparison with Turkmenistan and Uzbekistan which have productions two times bigger.

China also has an increasingly aggressive energy policy, negotiating both with Russia (a gas and oil pipeline to fuel China directly from the Siberian deposits), as well as individually (a policy also used by the Russians) with the Central-Asian countries, the contract regarding the gas pipeline that is supposed to supply the Chinese market with natural gas from Turkmenistan standing as proof (a pipeline that became operational in 2009 and can be considered a breach in Gazprom’s monopoly over the natural gas market in the region).

<sup>13</sup> Zeyno Baran (2008), *Security Aspects of the South Stream Project*, Committee on Foreign Affairs, The European Parliament, Bruxelles, p. 9.

<sup>14</sup> Vadim Volovoj (2009), *Central Asia: in the crossroad between Russia, China and the West* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 7 Sep 2009, available at <http://www.geopolitika.lt/?partc=3533>).

<sup>15</sup> Ainis Razma (2009), *Does Russia seek control of Central Asia by joint military forces?* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 19 Sep 2009, available at <http://www.geopolitika.lt/?partc=3616>).

<sup>16</sup> \*\*\*(2009), *Gazprom in Questions and Answers. Year 2008 Highlights*, Gazprom, Moscow, pp. 13-15.

<sup>17</sup> Shamil Midkhatovich Yenikeyeff (2008), *Kazakhstan’s Gas: Export Markets and Export Routes*, Oxford Institute for Energy Studies, Oxford, pp. 57-71.



In the regional geostrategy of the Caspian energy corridors, Turkmenistan (fourth place worldwide in terms of natural gas reserves, after Russia, Iran and Qatar) is a “key” piece for all involved, amplifying or diminishing, in this context, Azerbaijan’s geopolitical position: it can supply both *Nabucco*, if the Western project is completed (the Trans-Caspian pipeline), in which case it’s the only way Azerbaijan can be a natural gas provider for Europe, and *South Stream*, if the Russian project is completed (the Pre-Caspian pipeline), in which case the other Caspian riverside country above-mentioned is completely left out, with no other opportunity to increase its natural gas production.

On the other hand, the border relations in the Caspian region are not that clear, as we previously noted; even more, in the case of the Trans-Caspian gas pipeline, both Russia and Iran share the same “official” position: no riverside country can make any unilateral decision without the consent of the other five, Moscow invoking ecological risks (!). This leads to the idea, as A. Razma (2010) pointed out, that none of the two have any interest in ameliorating and developing relations between Turkmenistan and Azerbaijan<sup>18</sup>. The cultural factor that Turkey would have as a premise in a mediating position between the two Caspian republics (Turkish populations) is greatly diminished by its energy dependency towards Russia, as well as Iran.

The games between EU – Turkmenistan – Russia have been complicated by Beijing, which signed in 2007 with Aşgabat, an agreement for building a gas pipeline to supply the Chinese market with natural gas from Turkmenistan, operational from 2009, which stretches over 1 833 km, through Uzbekistan and Kazakhstan, towards the Autonomous Region Xinjiang, in North West China, and will transport circa 30 billion cubic metres per year (and a 10 billion increase in capacity until 2012).

Also, Gazprom is buying 90 % of the natural gas exported by Turkmenistan (creating the paradox that makes Russia, from the biggest producer and exporter of natural gas, an importer!) or should take 40-50 billion cubic metres per year because in 2009 this quantity was not delivered to Russia (an explosion on the pipeline taking the blame), thus worsening the relations. On the other hand, it’s worth mentioning the pipeline built in 1997, which connects Turkmenistan with Northern Iran through which 8 billion cubic metres of gas transit annually.

Back to the Chinese problem, the agreements with China are very bad news for project *Nabucco*, which is still in search of suppliers. Also, the contract with Beijing is seen on the natural gas market as a breach in Gazprom’s monopoly in Central Asia. This is how China played: it borrowed Turkmenistan with one billion dollars and exported textile industry technology, also building, through Chinese companies, a state of the art mobile phone network<sup>19</sup>. It’s interesting that at the beginning of 2010, China burrowed the Republic of Moldova with one billion dollars, apparently with no economic gain, but with a different geopolitical and geostrategic meaning: more and better positions of negotiation with Russia.

---

<sup>18</sup> Ainis Razma (2010), *Nabucco and Baku–Ashkhabad’s contraposition* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 03 Mar 2010, available at <http://geopolitika.lt/?artc=3874>).

<sup>19</sup> Evaldas Mikutis (2008), *Fight for the Turkmen gas* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 14 Apr 2008, available at <http://geopolitika.lt/?artc=1961>).

The relations between Central-Asia and China (the first as natural gas supplier, while the second is witnessing a full industrial development, at a scale that directly influences the global economic system) represent an alternative for the countries in the region, in the context in which Ukraine ends the gas war with Russia, as it currently stands after the change of power in Kiev, with president Ianukovici (well known for his pro-Russia position) being willing to give access to Gazprom, through a consortium with Naftogaz and other European companies, to the Ukrainian natural gas transport system (a recurring element during the disputes in 2006, 2008, 2009). This newly created situation would nullify the logic up until now (the increasingly better relations between Russia and Iran and the attempt to avoid Ukraine through the two opposed corridors – North and *South Stream*) and would impose the rethinking of strategies: if Ukraine is restored as an agreed transit space for Russian gas, the Central-Asian countries will again find themselves at Russia's hand for access on the European market.

*Russia – Azerbaijan.* Azerbaijan is the first supplier for *Nabucco*, having the advantage of increasing the profit by supplementing the quantity of gas sold on the European market and creating a good relation with the EU. The completion of the *South Stream* gas pipeline puts Azerbaijan in the position of not being able to supply *Nabucco* without the natural gas from Turkmenistan (if they are taken through the “Russian” Pre-Caspian pipeline) and would have only three possibilities: 1. To not increase the production of natural gas, thus making *Nabucco* a non-feasible project, 2. To give way to Russian pressure and sell natural gas on the European market through Gazprom and 3. To have access only on the Turkish market, transporting through BTE (Zeyno Baran, 2008)<sup>20</sup>.

### **NABUCCO VS. SOUTH STREAM**

The main difference between the two projects is that the European one is financed, mostly, from private sources and must be, first of all, economically profitable, while the costs of the Russian gas pipeline (at least two times greater, in comparison with the Western project) are supported, mostly, by the state and has long term geostrategic objectives.

**Characteristics.** *Nabucco* is the Western option for diversifying the natural gas supply sources and routes for the European market, supported both by the EU, for economical and energy security reasons and the USA, that desire a reiteration of the success in the '90s – breaching the Russian monopoly over the BTE gas pipeline, which doubles the BTC oil pipeline. The pipe that will stretch over 3 300 km (whose construction should begin in 2010 with a deadline for becoming operational in 2012) is the property of a consortium in which the six partners - Botaș (Turkey), Bulgargaz (Bulgaria), Transgaz (Romania), MOL (Hungary), OMV (Austria) and RWE (Germany), have an equal part of shares, 16.67 %.

The main problem of *Nabucco*, that still remains unsolved, is the supply source: Azerbaijan (+/- Turkmenistan +/- Kazakhstan)?, Iran?, Iraq?, Egypt?

As for the Russian response to the Western project, the *South Stream* gas pipeline was announced on the 23<sup>rd</sup> of June 2007, after the two participating companies, Gazprom and ENI, represented by vice-president Alexander Medvedev and the president Paolo Scaroni, signed in Rome a memorandum, and

<sup>20</sup> Zeyno Baran (2008), *op. cit.*, p. 9.

in the fall of the same year (22 November) was signed in Moscow an agreement regarding the realisation of an economical and technical feasibility study for the future gas pipeline. The layout is: Beregovaya (Russia) – Black Sea (“off-shore” section of 900 km, at depths of over 2 000 m, an interesting position for a gas pipeline) – Varna (Bulgaria), from where it will split in two branches: one towards Greece – Italy and the other one towards Serbia – Hungary and/or Slovenia – Austria – Northern Italy.

Out of the six companies members of the *Nabucco* Consortium, only three are not also involved in *South Stream* - Botaş, Transgaz and RWE, and in the first two cases the majority of the shares is state owned, while the German company is private; the other three – Bulgargaz (also state owned), MOL and OMV also participate to the construction of the Russian gas pipeline: Bulgaria, at the construction of the segment on its territory, through a “joint venture” between its company and Gazprom, the same goes for Hungary, the *South Stream* project receiving strong support from the Hungarian leadership, and the Austrian state owned company OMV is the one most involved offering the Russian colossus 50 % of the shares of the Baumgarten terminal, the same used by *Nabucco* (which means that no other private source of natural gas will be able to use this terminal, not even for transit, nor distribution, this being, in fact, another hit for the Western project).

Another characteristic that differentiates the two projects in terms of economical profitability is given by the difference in cost: *Nabucco*, beginning with estimates of 4.5 billion euro, currently reaching 7.9 billion euro (an increase due to the bull market of steel), while the construction costs of the Russian gas pipeline are bigger, over 12 billion euro.

**Geopolitical meanings.** The “*South Stream*” idea, that appeared as a Russian reaction to the Western world’s intention to create a Southern corridor to transport natural gas from the Caspian Sea through the Near and Middle East towards the European Union, individualises a “*pre-emptive*” type of *gas pipeline*.

Its completion would undermine the supply with natural gas, from the Central-Asian region (or Azerbaijan), both for the *Nabucco* pipeline, as well as for others, such as TGI (Turkey-Greece-Italy). Also, the Russian gas pipeline would be able to use resources from the Middle East (Iran) or Northern Africa, which would further reduce European options to find a way to diversify their supply sources and to reduce its energy dependence on Russia. Finally, the *South Stream* project doesn’t lead to the diversification of import sources for the countries positioned in the pipeline’s way, it’s the other way around, increasing their dependence on Russia, while Russia wants an alternative to the pipelines that transit Ukraine and Belarus, diverting some of the gas transported on these routes, while using the same supply sources.

Additionally, the countries on *South Stream*’s path and their neighbours, some of them with a high degree of dependence on Russian gas even now (more than 85 % for Bulgaria and Serbia and 65 % for Hungary and Austria) will be directly, not only, at Russia’s discretion, but also to one company’s discretion – Gazprom.

The end point of the two pipelines, *Nabucco* and *South Stream*, Baumgarten (Austria), currently a transit point for Russian natural gas towards the Western part of the continent, can be used as a pressure instrument in Gazprom’s strategies for influencing natural gas prices on the European market, due to the partnership with its Austrian counterpart, OMV.

Synthesizing all of the above, the *South Stream project does not represent an alternative for Nabucco*, as its promoters and some European countries advocate, *but a competitor* strong enough to question its construction and its economical profitability, because building *South Stream* would undermine the supply capacity of the Western pipeline.

Thus, building the Russian gas pipeline would imply an increase of the Russian natural gas production, but many factors lead to the idea that this growth is only a potential one:

- most of the deposits in exploitation are close to their extraction peaks, and prospecting new deposits, especially in the extreme natural conditions on the Polar circle or Siberia, imply major investments;

- Gazprom's production is relatively constant, for example, beginning with 2001 up until 2008, being of about 540 billion cubic metres per year (Gazprom, 2009), thus bringing under scrutiny Russia's capacity to supply sufficient quantities of natural gas to honour all its agreements and projects in which she desires to play the main role;

It's relevant, to this end, the production prognosis until 2020 which shows a relatively insignificant growth<sup>21</sup>. Additionally, the comparative sequential statistics for 2008 and 2009 show the fact that Russia's natural gas production has decreased by 25 %, the imports from Central-Asian countries by 23 %, while the export to Europe witnessed a decrease of 32 % (Stern, 2009, p. 4, table 2)<sup>22</sup>, a trend that seems to extend until 2013<sup>23</sup>, its explanation being the international financial crisis that affected the whole "North" (see also Pirani, 2009)<sup>24</sup>.

- also, the physical infrastructure used by Gazprom is pretty weathered, having been built in the U.S.S.R period of forced industrialisation and requiring major investments.

To these, we can add the high costs of building the *South Stream* gas pipeline, while the Russian business environment is rather unstable and unpredictable for foreign investors and Russia is facing serious economic problems.

These observations only emphasise the idea that Russia wants to thwart, by any means necessary, the Western projects, without taking into account economical profitability, following a geopolitical and geostrategic logic of the Cold War.

While trying to undermine the completion of the Western project, Russia used different strategies to divert *Nabucco* partners from beginning the project:

- promising the increase of investments and the transformation of that country into a natural gas hub for Western consumers;

- interfering with election campaigns: political support in exchange for concessions;

- using "bogus " companies (Zeyno Baran, 2008)<sup>25</sup>;

- using individual partnerships with every country, instead of bilateral agreements Russia – EU.

<sup>21</sup> From approx. 540 billion cubic metres, currently at approx. 650-670 billion, according to Gazprom, 2009 (<http://eng.gazpromquestions.ru/?id=7#c305>)

<sup>22</sup> Jonathan Stern (2009), *Future Gas Production in Russia: is the concern about lack of investment justified?*, Oxford Institute for Energy Studies, Oxford, pp. 2-6.

<sup>23</sup> Aivaras Bagdonas (2009), *Europe is on the verge of a new gas conflict with Russia* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 17 Nov 2009, available at <http://www.geopolitika.lt/?artc=3671>).

<sup>24</sup> Simon Pirani (2009), *The Impact of the Economic Crisis on Russian and CIS Gas Markets?*, Oxford Institute for Energy Studies, Oxford, pp. 3-14 și 24-29.

<sup>25</sup> Zeyno Baran (2008), *op. cit.*, p. 13.

**Games. Russia-Turkey.** It is the first match won by Russia, a lesson from which Europe should learn something. In the '90s, after the collapse of the U.S.S.R, Turkey was faced with two options: 1. The US initiated project of building the Trans-Caspian gas pipeline (Turkmenistan-Azerbaijan) through which natural gas from Central Asia was to directly reach the Turkish market and 2. The Russian project to build, to the same end (supplying Turkey with natural gas), a gas pipeline under the Black Sea, directly into Turkish territory, the future Blue Stream.

The Ankara authorities' prognosis towards the growth of natural gas consumption needs were highly optimistic (60 billion cubic metres in 2010) and made feasible both projects, inoculating the public opinion with the idea that the two projects are not competitors (the current situation of *Nabucco* vs. *South Stream*), but complementary. Additionally, the Western world was not taking Russia's underwater pipeline seriously, because it required advanced technology inaccessible to Russia at that moment (a reason for calling the project "Blue Dream"), plus the high construction costs and ultimately a low economical profitability.

However, the reality was "Russian": the partnership between Gazprom and ENI, the Italian company, made possible, from a technical point of view, the pipeline. The result was that Turkey didn't have direct access to the Caspian gas from the Central-Asian perimeter, but became over 60 % dependent on Russian gas, pipeline transit being only a third of the initial designed capacity, and the price paid on the Turkish market one of the highest<sup>26</sup>.

Although Russian – Turkish relations have considerably improved in the post – Cold War era, because of constant economic cooperation doubled by a regular political dialogue (both Russia and Turkey being mostly on the same part of the barricade in relation with the Caucasian countries: first, with Georgia, a state of conflict already escalated in August 2008, the second with Armenia), Turkey sees herself in the position of making its first priority in the area of natural gas, the supply security (diversifying sources and routes or to quote the Botaş company's annual report, 2008, „creating economic and geostrategic advantages by insuring the diversification of sources and routes in respect of the security of natural gas supply”<sup>27</sup>). To this end, in Central Asia, the key is also Azerbaijan (possibly together with Turkmenistan, strictly for the national market, indispensable for European projects), but Baku needs Moscow's concessions and support in the Nahicevan exclave.

An alternative to escape Moscow's "energy pincer" is Iraq (USA's and the International Community's still unsolved problem) and Iran (again, problematic in international relations due to its nuclear program; with a supplement from Turkmenistan, bypassing Russia), in both cases Turkey not being able to activate the American lever, to use its position in the North-Atlantic alliance (relations further deteriorating due to USA's and Sweden's position in the matter of internationally admitting the "Armenian genocide"). Also, Turkey's relations with Iran are not exactly convenient, always existing disputes between the two parties, generally focused on the volume and the price of imported Iranian natural gas – an Asian version of the "gas war" that took place in January 2006, when Teheran cut Ankara's gas supply, which forced Turkey more towards Russia, increasing its imports through Blue Stream, a situation that was repeated in December 2007

---

<sup>26</sup> Idem, p. 11.

<sup>27</sup> \*\*\* (2008), *Annual Report*, BOTAŞ, Ankara, p. 15.

and January 2008, due to the ceasing of gas supply from Turkmenistan and Iran needing its production for internal consumption (Kinnander, 2010)<sup>28</sup>.

Turkey's relations with the EU are pretty nuanced: France (which, from an energy point of view, has the option to connect to North Stream) doesn't like the idea of Turkey (whose territory is the starting point of *Nabucco*) joining the Union and Germany and Austria would prefer more of a "privileged partnership" than full membership (see also Winrow, 2009)<sup>29</sup>. As a result (there are also other issues, only adding here the problem of Cyprus), Turkey has tried to also use the energy weapon, vastly delaying *Nabucco*.

Between Europe and Ankara, the nature of the talks is this: first – if Turkey wants admission in the EU then it has to adhere immediately to the European rules and regulations, second – Europe asks Turkey for concessions without giving anything in return<sup>30</sup>.

*Russia–Bulgaria and Greece.* The two are already caught in the Russian project of the oil pipeline Novorosiisk – Burgas – Alexandropolis (a response to the Western project Constanța – Trieste), this only being a launching platform for the *South Stream* gas pipeline. The moment chosen for signing the document was a symbolic one: the celebrations for 130 years since the War of Independence (1877-1878) from under the Ottoman Empire's rule, independence won with Russia's support, a good reason to strengthen traditional historical relations between the two countries (justifying Bulgaria's presence on the *South Stream* rather than on *Nabucco*, with natural gas transiting Turkey).

In Greece's case, the signing of the document occurred after the April 2008 NATO summit in Bucharest, where the possibility of signing for the Russian gas pipeline under the Black Sea was used as a small pressure factor for a more firm stand of EU and NATO in regards to Macedonia's challenged name.

*Russia–Serbia.* Based on a traditional cultural relation, but also on the Russian support in the Kosovo independence matter, Serbia's participation in *South Stream* was only a question of time.

*Russia–Romania.* The invitation to participate in *South Stream* was received several times (Russia using all the above-mentioned strategies – the invitation to build a gas deposit in Neamț county and enticing Romania to become a natural gas hub for the European market, interference in the presidential elections in 2009, persuasions to solve the Republic of Moldavia issue – the already mentioned Belkovski and Kozak plans) but our country's position remained firm in favour of *Nabucco*.

*Russia–Hungary.* In 2006 Hungary received the visit of a Gazprom high official, Alexei Miler, which preceded the American president's, George Bush jr., visit to discuss about the South-European gas pipeline (Blue Stream II), and in 2008 Hungary signed for the *South Stream* project. The stakes: Russia's promises that Hungary will become a natural gas hub for Central and Western Europe.

*Russia – Austria.* The idea was the same, president Putin's and Miler's visit in Vienna, in 2007, Austria being seen as a future natural gas hub for Central Europe (together with Hungary or in its place), the two also launching the idea of a Slovenian route of the *South Stream* gas pipeline (at that moment Slovenia held

<sup>28</sup> Elin Kinnander (2010), *The Turkish-Iranian Gas Relationship: Politically Successful, Commercially Problematic*, Oxford Institute for Energy Studies, Oxford, pp. 8-11.

<sup>29</sup> Gareth Winrow (2009), *Problems and Prospects for the „Fourth Corridor”: the Positions and Role of Turkey in Gas Transit to Europe*, Oxford Institute for Energy Studies, Oxford, pp. 7-9.

<sup>30</sup> *Idem*, pp. 23-26.

the EU presidency). In January 2008, in Gazprom president Alexander Medvedev's presence, Austria signed the document through which it committed itself to participate in the *South Stream* project, the Austrian company OMV becoming the project's coordinator (as well as for the Western *Nabucco* project), and the Baumgarten station, the end point (same as for the other gas pipeline).

### **NORTH STREAM OR CLOSING THE "ENERGY PINCER"**

*North Stream*, the second "grand" Russian project to build a gas pipeline in the North part of the continent (with a length of 1 220 km), on the bottom of the Baltic Sea, directly connecting Germany (Greifswald) with Russia (Vyborg – the former town of Viipuri conquered in the Winter War in 1939-1940, at 130 km of Sankt Petersburg, near the border with Finland) also has special geopolitical connotations:

- on the one hand, it shows the role of "personalities" in a specific historical context, the project being a token of friendship between Vladimir Putin and the former German chancellor Gerhard Schröder, who has become a strong supporter of the pipeline, for which he was able to give a government credit of one billion euro for beginning the construction in 2005<sup>31</sup> and in the same context but later, Germany adopted a negative position in regards to accepting Georgia in the Membership Action Plan for NATO<sup>32</sup>.

- on the other hand, it makes it makes Russia's geostrategy of "divide et impera" more transparent: the northern energy corridor (*North Stream*) was designed without discussing it with the European partners, more precisely Poland and the Baltic countries, the first reacting at the German – Russian decision<sup>33</sup>. This emphasised once more the well known Russian strategies of not allowing a common point of view or energy solidarity within the EU take shape.

Additionally, other analysts (Kolesinskas, 2008) see the construction of the *North Stream* a plausible reason for the militarisation of the Baltic Sea<sup>34</sup> and a pretext for intelligent surveillance of European NATO members (such as Sweden which is the most active to point out this associated risk of the northern gas pipeline, Estonia, Denmark, Finland, these being the countries through whose territorial waters the future pipeline is supposed to pass) or various Alliance exercises, by installing radars and hydro-acoustic systems etc. (Larsson, 2008)<sup>35</sup>.

However, the gas war between Russia and Ukraine made *North Stream* (a project with costs recently approximated at 7.4 billion euro) gain more supporters, besides Germany (through the companies E.ON Ruhrgas and BASF – Wintershall), France (Suez – Gaz de France, which has agreements to buy a certain volume of natural gas transited through the Baltic gas pipeline)<sup>36</sup>.

<sup>31</sup> Zeyno Baran (2008), *op. cit.*, p. 12.

<sup>32</sup> a moment appreciated by Russia, after which its president Vladimir Putin arrived in Bucharest for the summit.

<sup>33</sup> The Polish Minister of Foreign Affairs, Radek Sikorski, using phrases like "a new Ribbentrop – Molotov agreement", and some analysts defined the context and logic of such strategies through phrases such as "Cold War smell" (Iškauskas, 2009).

<sup>34</sup> Liudas Kolesinskas (2008), *North European pipeline: political or economic benefit for Russia?* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 24 Apr 2008, available at <http://geopolitika.lt/?artc=2009>).

<sup>35</sup> Apud Christina Lin (2009), *The Prince of Rosh: Russian Energy Imperialism and the Emerging Eurasian Military Alliance of the Shanghai Cooperation Organisation* [on-line], Institut für Strategie-Politik-Sicherheits-und Wirtschaftsberatung, Berlin (up-dated 11 Feb 2009, available at [www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?lng=en&id=96417](http://www.isn.ethz.ch/isn/Digital-Library/Publications/Detail/?lng=en&id=96417)).

<sup>36</sup> Simona Vaitkute (2009), *Nord Stream gains momentum* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 09 Apr 2009, available at <http://geopolitika.lt/?artc=3290>).



Regarding the layout of the northern gas pipeline, transiting the territorial waters of several riverside Baltic Sea countries (although economically feasible to build several land ramifications through the Baltic republics and Poland, USA's initial intention to place anti-missile shield components on the latter's territory have swayed the balance) have made Russia use the same strategy arsenal as for the *South Stream* gas pipeline.

Thus, Denmark has already given its accord for transiting 88 km of its territorial waters and 49 km of its exclusive economic zone in exchange for access to the gas pipeline for the Danish company Dong (a fact that shifted the talks from ecological risks). In Finland's case, the strategy "natural gas in exchange for the debt for exported logs" (Iškauskas, 2009)<sup>37</sup> worked like a charm, during what was called the "log war" (Brown, 2008): beginning with 2007 Russia (main supplier of raw logs), as with the "gas war" with Ukraine, announced an export price increase from 7 to 15 dollars, at first, so that at the end of 2008 the increase would reach 75 dollars per cubic metre, while Finland (an important paper producer, 15 % of the global production, resulting in 10 % of its GDP) imports over 10 million cubic metres of wood annually<sup>38</sup>.

The Russian strategy to fragment the European position in regards of a unified and integrated natural gas market and its launching of the *North* and *South Stream* projects should trigger important warning signals for the EU.

## CONCLUSIONS

The critical and interpretative analysis of the geostrategic games on the natural gas market between Europe and Russia, regarding the diversification of transport and supply sources has led to the following conclusions:

*A. Regarding an integrated European natural gas market and its supply security, there are different visions: European, Russian and American.*

The gas war (and Ukraine's problematic position as transit country) has put Europe – the "great dependent", as well as Russia – the "great supplier" in front of an obvious fact: the diversification of transport routes through gas pipelines is mandatory. But:

- Europe needs a diversification of both the transport routes (through areas in which Russia has low or no influence) as well as the supply sources (access to the Caspian resources in Central Asia).

- Russia wants to bypass Ukraine (through areas fully under Russian control or, why not, by building underwater gas pipelines and implicitly, insuring military security and intelligent surveillance) but not diversifying supply sources, thus trying to maintain and increase its monopoly. As such, through the energy colossus Gazprom (in which the state is the main shareholder), Russia practices not economical interests, but geoeconomical ones: resorts to differentiated favouring within the EU, through bilateral agreements with certain influent members (attracting Germany and France in the *North Stream* project, Italy on the southern routes etc.) in an attempt to pre-empt a united European position. The geopolitical nuances are also

<sup>37</sup> Česlovas Iškauskas (2009), „*Nord Stream*“ washes away resistance of the Baltic States (1) [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 09 Nov 2009, available at <http://geopolitika.lt/?artc=3657>).

<sup>38</sup> Frederic Brown (2008), *Finland, Russia: The EU and the Timber War* [on-line], Stratfor (up-dated 01 Jul 2008, available at [www.stratfor.com/memberships/119222/analysis/finland\\_russia\\_eu\\_and\\_timber\\_war](http://www.stratfor.com/memberships/119222/analysis/finland_russia_eu_and_timber_war)).



present: Russia continues to use the prerogatives of “sole heir” to the Soviet empire in what she calls the “near abroad”, and for which it invented another concept – “limited sovereignty” (see Georgia’s case, 2008). Additionally, it tries to interpose itself as a “barrier” or “filter” in EU’s relation with the Central-Asian countries (in the case of Europe’s access to Caspian gas, this can only be done with Russia as an intermediary).

- USA, well schooled in the Cold War, seems to have a better outside view on the Eurasian scene and the unmistakable Russian geostrategy: it supports since the ‘90s the “Westernisation” of Central Asia, thus backing up the opening of a southern corridor – for energy, economy and diplomacy – through the Caucasus, towards the former Soviet republics in the region.

B. *The diversity of players involved in energy projects could make the difference between “feasible projects” and “desirable projects”.*

We emphasise in this conclusive idea another approach criterion of the players involved in gas pipelines construction. The difference is the projects’ type of funding: while *Nabucco* is based on mostly private funding (the most important aspect being the economic interest), private companies being involved in it (such as the German company RWE), *South Stream*, a much more expensive project, is funded by the Russian state (aiming especially at geostrategic and geopolitical goals, such as counteracting Western projects and not losing its exclusivity on the European natural gas market).

C. *Nabucco vs. South Stream. The two competing projects are competitors and not complementary.*

“Turkey’s lesson” is relevant to this end: the Trans-Caspian Western gas pipeline vs. Blue Stream. Russia has always supported the idea that the two projects are complimentary, a trap in which many Western governments fell, by using Turkey’s “inflated” prognosis regarding the natural gas consumption increase until 2020 (the reality being way below those prognosis). This led to the unanimously accepted idea that “there is space for both pipelines”. The reality was, however, “Russian”, Blue Stream being built (Turkey becoming 60 % dependent on Russian natural gas and also paying high prices), while the Western gas pipeline remained just as an intention.

D. *South Stream is a “pre-emptive” gas pipeline.*

In the spirit of the previous idea, the *South Stream* project, with a highly doubtful economic profitability (very large construction costs, low capacity to increase production without considerable investments and other deposits entering exploitation etc.), can be a project only meant to pre-empt Europe’s attempt to break Russia’s monopoly on the European market.

E. *Nabucco an empty pipeline?*

Europe must transform the great unknown – *Nabucco*’s “supply source”, in a certainty, otherwise it risks becoming either only a project, or a bankrupt empty pipeline. Russia’s project to build the Pre-Caspian gas pipeline, through which it would take an important part of the Caspian gas in order to transport it through Gazprom’s infrastructure, could sabotage *Nabucco*’s gas supply and lead to an even greater dependence on Russia.

F. *Russia, Europe and the “energy pincer”.*

The realisation of the two Gazprom – Russia projects – *North* and *South Stream* would put Europe in a very delicate situation: the two gas pipelines, the northern and southern one, the first under the Baltic Sea, the other under the Black Sea, would form the arms of a lethal “energy pincer”. Both the supply

sources and the transport routes would be under Russian control and European consumers would be at its “energy discretion”.

However, it is obvious that the destiny of these projects is still undecided...

## REFERENCES

- BAGDONAS, A., (2009), *Europe is on the verge of a new gas conflict with Russia* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 17 Nov 2009, available at <http://www.geopolitika.lt/?artc=3671>).
- BARAN, Z., (2008), *Security Aspects of the South Stream Project*, Committee on Foreign Affairs, The European Parliament, Bruxelles.
- DEKMEJIAN, H.R., SIMONIAN, H., (2003), *Troubled Waters: The Geopolitics of the Caspian Region*, I.B. Tauris, London, p. 99, 115.
- KARAGANOV, S., coord. (2007), *The World Around Russia: 2017 - An Outlook for the Midterm Future*, The Council on Foreign and Defense Policy, State University – Higher School of Economics, Rio-Center, Moscova.
- KINNANDER, E., (2010), *The Turkish-Iranian Gas Relationship: Politically Successful, Commercially Problematic*, Oxford Institute for Energy Studies, Oxford.
- MIKUTIS, E., (2008), *Fight for the Turkmen gas* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 14 Apr 2008, available at <http://geopolitika.lt/?artc=1961>).
- NEGUȚ, S., NEACȘU, M.C., (2009), *Gas War*, in “Romanian Review on Political Geography”, 11<sup>th</sup> year, No. 2.
- NEGUȚ, S., NEACȘU, M.C., (2009), *Geostrategic Games on the Eurasian Energy Market*, in „The 2nd Russian-Romanian Scientific Conference. Russia and Romania: economics and education”, Bucharest.
- PIRANI, S., (2009), *The Impact of the Economic Crisis on Russian and CIS Gas Markets?*, Oxford Institute for Energy Studies, Oxford.
- RAZMA, A., (2010), *Nabucco and Baku–Ashkhabad’s contraposition* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 03 Mar 2010, available at <http://geopolitika.lt/?artc=3874>).
- RAZMA, A., (2009), *Does Russia seek control of Central Asia by joint military forces?* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 19 Sep 2009, available at <http://www.geopolitika.lt/?artc=3616>).
- STERN, J., (2009), *Future Gas Production in Russia: is the concern about lack of investment justified?*, Oxford Institute for Energy Studies, Oxford.
- VOLVOJ, V., (2009), *Central Asia: in the crossroad between Russia, China and the West* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 7 Sep 2009, available at <http://www.geopolitika.lt/?artc=3533>).
- VOLVOJ, V., (2007), *Building Energy Security in the Baltic, Caspian and Black Sea Regions* [on-line], Public Agency: The Center for Geopolitical Studies, Lithuania: Geopolitika (up-dated 13 Feb 2007, available at <http://www.geopolitika.lt/?artc=27>).
- WINROW, G., (2009), *Problems and Prospects for the „Fourth Corridor”: the Positions and Role of Turkey in Gas Tranzit to Europe*, Oxford Institute for Energy Studies, Oxford.
- YAZDANI, E., (2006), *Competition over the Caspian oil routes: Oilers and Gamers perspective*, Alternatives: Turkish Journal of International Relations, vol. 5, no. 1-2.
- YENIKEYEFF, S.M., (2008), *Kazakhstan’s Gas: Export Markets and Export Routes*, Oxford Institute for Energy Studies, Oxford.
- \*\*\* (2008), *Annual Report*, BOTAŞ, Ankara.
- \*\*\* (2008), *Gazprom in Questions and Answers. Year 2008 Highlights*, Gazprom, Moscow.

Submitted:  
March 22, 2010

Revised:  
April 09, 2010

Accepted:  
May 27, 2010

Published online:  
May 31, 2010