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GEOECONOMICAL PRE-CONDITIONS AND FACTORS OF MARINE POTENTIAL OF UKRAINE FORMATION BEFORE THE CONFLICT OF 2013-2014

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Abstract: Geoeconomical pre-conditions and factors of Ukrainian marine potential formation are analyzed. Marine position influence on the naval power of Ukraine is considered. The basic problems of the state marine strategy forming are reflected. The overcoming ways of complicated questions about Ukrainian marine potential formation are investigated.

Key words: geoeconomical pre-conditions, marine potential, marine policy, naval power, Ukraine, Black Sea region, energy safety

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INTRODUCTION

Ukrainian advantageous geopolitical position, its access to the Black and Azov Seas promotes not only favorable conditions for the country development as an active subject of international sea relations but also creates appropriate economic conditions of the country functioning as a marine state. Unresolved issues of Ukrainian marine borders determination and establishment negatively affect the formation of its marine potential, weaken its role and importance in the strategically important Black Sea and Azov region. Therefore, the study of geo-economic conditions and the factors of the Ukraine as a naval power formation will find possible ways to resolve disputes about its marine borders delimitation and demarcation and provide appropriate task of Ukrainian marine policy development.

THE ANALYSIS OF THE LATEST RESEARCHES OF THE PROBLEM

Such scientists as R. Kruglyakov, M. Kruglyakova, N. Shevtsova (Круглякова Р., Круглякова М., Шевцова Н. Геолого-химическая характеристика естественных проявлений углеводородов в Черном море [Electronic resource]. - Access mode: http://www.nbuv.gov.ua), O. Lyvenj (Ливень О. Перспективы освоения нефтега-зового потенциала украинских акваторий Черного и Азовского морей [Electronic resource]. - Access mode:

http://www.uaenergy. com.ua) and others studied geo-economic conditions and the factors of Ukrainian marine potential development.

O. Lyvenj in the work "Prospects of Ukrainian oil and gas potential development within the Black and Azov Seas" deeply analyzes the energy potential of the Azov and Black Seas and indicates the importance of creating an appropriate state marine policy in relation to its development. Authors R. Kruglyakova, M. Kruglyakova, N. Shevtsova in the book "Geological and chemical characteristics of hydrocarbon natural outcrops in the Black Sea" analyze the factors which influence on the Ukrainian marine potential formation within the Black Sea.

Despite the importance of Ukrainian marine potential formation, this topic has not been sufficiently investigated. There is no complex political-geographical research about Ukraine as a marine state formation. Many problems about appropriate conditions of Ukrainian marine policy formation and the Ukrainian-Russian marine border delimitation still remain unsolved. It is important to note that these problems are investigated mainly on the pages of the periodical press, hence the complex analysis about the factors of Ukrainian marine policy development must be done.

THE AIM OF THE ARTICLE

The aim of the article is the investigation of the geoeconomical pre-conditions and factors of marine potential of Ukraine formation.

BASIC TASKS OF THE RESEARCH

Basic tasks, which were solved in the process of research, were the next: to analyze the geoeconomical pre-conditions and factors of Ukrainian marine potential formation; to consider the marine position influence on the naval power of Ukraine; to reflect the basic problems of the state marine strategy forming; to investigate the overcoming ways of problem questions about Ukrainian marine potential formation.

PRESENTATION OF THE BASIC MATERIAL AND THE RESULTS RECEIVED DURING THE RESEARCH

The Black and Azov Sea region is extremely important for Ukraine because it forms a number of objective reasons for Ukraine's economic development, including the development of its marine potential.

Firstly, the Black Sea region is a natural conjunction between powerful regions of hydrocarbon energy production and consumption. Extractive regions are Russia with its oil and gas deposits, the consumption region is the EU. Growing demands of industrial EU creates conditions for strategic importance of transportation routes of energy resources from East to West across the Black Sea region increasing.

Traditionally, Europe gets hydrocarbons through several communication corridors - connector systems and groups (oil and gas, marine transportation routes, terminals). With the entry of Bulgaria and Romania to the EU, the Union got the entrance to the Black Sea, which promoted the new power connectors development (Копачинська Г. В., 2010).

Connector group combines communications only by geographical principle, they are not connected into the system, as resource providers and consumers are different and form the competition policy.

The most powerful connector system of the EU and Europe is Eastern (Хількевич В. І., 2009), in which the Black Sea-Mediterranean connector is one of the most powerful, it was formed as the main export route for oil from Russia and Kazakhstan with the use of the Black Sea terminals including such Russian terminals as Novorossiysk, Tuapse and Ukrainian terminals such as Odessa, "South".

Ukraine is present in several connectors: Eastern European multiconnector of Eastern connector system (hydrocarbons pipeline supply to the EU through Slovakia), Black Sea-Mediterranean connector: Russian and Kazakh oil transit and transshipment; the Caspian-Black Sea-Central European connector: oil transit and transshipment.

The first two connectors have a monopoly supplier – it is Russia, which exports to the EU as own hydrocarbon resources so also oil and gas from Central Asia. Eastern European multiconnector formed and remained the key connector for gas supply to the EU and oil supply to Central Europe states, forming Eurasia hydrocarbon axis. Ukraine and neighboring Slovakia, Moldova, Romania are on this axis.

On the Eurasia hydrocarbon axis the rivalry between two energy strategies - western (EU) and eastern (Russian) happens. The results largely depend on the side Ukraine joins as the largest transit.

Therefore, the appropriate amount of oil and gas pipeline within the Black Sea is extremely important for energy transit from east to west through the territory of Ukraine. The economic development of our country and its political power, as well as development of its marine potential depends on the available amount and proper functioning of gas and oil pipelines.

Another feature of this region is the NATO and the EU interest in it, what can both promote cooperation among states and enhance the differences among those who are trying to satisfy their ambitions of regional leadership using neighbors. The EU policy in the Black Sea region has a distinct transport and energy content and is based on a number of documents and programs, namely: Brussels Declaration on interregional program of technical assistance TRACECA (1993); program INOGATE; European Neighbourhood Policy; BSS (Black Sea Synergy); Energy Community Treaty in 2005.

It should be noted that the EU policy in the Black Sea region just starts to develop, it is mostly declarative. However, the presence of the EU is extremely important in the region.

The weakened American position in the world policy and on the regional level, particularly in the South Caucasus and the Caspian Sea has the negative impact in the region. In fact, Iranian problem is the main reason of the U.S. presence in the region. In the region the USA plans cause a severe reaction of Russia. The very same Russia after the five-day war in August 2008, and the agreement with Ukraine in 2010 to extend the Black Sea Fleet until 2042, goes on to build up naval capabilities in the Black Sea basin.

In fact, American and Russian military plans provoke the Black Sea region militarization, where the hydrocarbon transit increases, terminal and pipeline infrastructure expands, oil and gas exploration and production projects develope, what negatively influence its development.

Thirdly, because of experienced European gas crisis in 2006 and in 2009 a global "hunt for energy" began. Such countries as Turkey, Bulgaria, Romania, Georgia, Ukraine and the Russian Federation began the attempt to activate the development of marine shelf.

Ukraine, like Romania, is a pioneer in the Black Sea shelf exploration and development, for what in 1979 specialized enterprise "Chornomornaftogaz" was created (http://www.uaenergy. com.ua). Total initial recoverable hydrocarbon resources of the Ukrainian sector areas of the Black and Azov Seas count up to 2.324 billion tons of conventional fuel. In particular, in the northwest shelf of the Black Sea eight gas and condensate deposits (Golitsyn, South Golitsyn, Storm, Archangel, Schmidt, Crimea, Odessa, Unnamed) are opened. There are 17 deposits, including 11 gas, four condensate and two oil on balance of "Chornomornaftogaz". In the waters of the Black and Azov Seas there are 37 objects prepared for deep drilling, 58 revealed promising deposits, 87 project deposits.

It should be noted that attempts to establish international cooperation within this region were unsuccessful. At the beginning of the 2000th Austrian OMV had serious intentions to cooperate with "Chornomornaftohaz." But in 2004 it finally re-oriented to Romania. The attempt to attract offshore American companies was also failure. The right to participate in the shelf development got Vanco Energy, for work in Ukraine "Vanco Prykerchenska" was created. But with the change of government the arrival of serious partners in the development of the Ukrainian sector of the shelf slowed. Another change in the ruling power in 2010 led to a reorientation of partnership with Russian companies, which are politically motivated and have no serious prospects, since neither Gazprom or Lukoil, which signed a Memorandum are not leaders in offshore developments. In contrast, in those rare offshore projects in Russia, where they appear, partnerships with Western companies are used.

It can be predicted that the further discovery of hydrocarbon reserves will make the Black Sea shelf in the medium term (5-10 years) one of the alternative sources of energy supplies in the region. Hardly by offshore production, the countries of the region can fully provide their needs in oil and gas, but the existence of domestic energy production in the national energy balance will play a positive role in enhancing their energy security.

Fourthly, the important problem of the Black Sea region is energy transportation. Since the 1990 th the Black Sea, is the scene of several competing pipeline projects rivalry. Today, the main competitors are projects initiated or supported by the EU, on the one hand, and Russia - on the other. EU promotes the Southern Gas Corridor, designed for all potential gas flows, which may be obtained and transported through Turkey to Europe and gas supplies from Azerbaijan, Turkmenistan, Iran and Iraq. Projects in the Southern Gas Corridor are the next: Nabucco, Interconnector Turkey-Greece-Italy (ITGI), connected with the Trans-Adriatic Pipeline (TAP), «White Stream", Trans-Caspian gas pipeline, as well as Iranian and Iraqi connectors for gas supplies to Europe (http://www.cisoilgas.com/article/Black-gold-of-the-Black-Sea).

Nabucco should be considered the base project of the Southern Gas Corridor as the most advanced and prepared to implementation. Nabucco was founded in 2004 and had serious preparatory and organizational work. One important factor in favor of the project is fairly consistent support from the European Commission. Today it mobilized all efforts to support Nabucco, which had become a pilot project of the European Commission developed the concept of unified EU energy policy.

"White Stream» is often wrongly considered as competing with Nabucco. In fact, it is complementary, unique northwestern branch of Nabucco. Because of

the uncertain position of Ukraine this project in the Ukrainian direction is essentially frozen. International company White Stream Pipeline Co. reoriented project to Romania. This means the greatest extent of sea pipeline (1105 km) compared to the "South Stream" (900 km) or the "Blue Stream-2" (444 km), the maximum depth making pipes (2 km) and, accordingly, worsening profitability of the project and further its unclear perspectives.

Nabucco destroys Russian strategy aimed to establish a mechanism of transnational areas, flows and prices of exported gas manipulation. If Gazprom owns "Nord Stream" and "South Stream", as well as control over Ukraine's GTS – it will get the ideal system for the pan-European gas manipulation. Nabucco, which isn't controlled by Gazprom, having access to the Austrian Xabi provides a high competition level. Probably Gazprom resource will be non-competitive, because of highly maximized export prices. Delivery by Nabucco of Azerbaijani, Turkmen or other gas will provide for European customers the possibility to play by the rules not of Gazprom but competitive market. Therefore, the external resistance of Russia is to prevent the implementation of Nabucco, even if neutral valuation is declared.

In this context, there is a risk that the pipeline route, which ensures the supply of resources for Nabucco, will pass through very unstable area in Southern Caucasus (Azerbaijan and Georgia), where serious frozen conflicts are, which are known to have the ability to be "suddenly defrosted". This increases the political risks of the Southern Gas Corridor. The events of August 2008 awitnessed it.

The major threat not only to the Southern Gas Corridor but to the stability in the Black Sea region is the factor of hidden external opposition to Russia. There was also equally fierce competition about the oil and gas transportation in the region. Russia had made efforts to establish control over Kazakh oil transportation route "Tengiz-Novorossiysk" actually winning control on this route, and intended together with American and Kazakh shareholders to expand route capacity to project (67 million tons of oil / year) . However, there is the problem that thee Black Sea straits are already overwhelmed by oil traffic. Russia in 1992 lobbied for the project Burgas-Alexandroupolis, which had to solve the problem of the Straits. Only in 2007 final agreement among Russia, Bulgaria and Greece was reached.

However, Turkey active position, which tried not only to solve this problem, but to close oil transit on its territory slowed the project realization. Moreover Russia tried to implement the project of gas pipeline "South Stream" passing the exclusive maritime economic zone of Ukraine in the Black Sea, which required the Turkey consent. Therefore, the Turkish side has offered Russia to participate in the Trans-Turkish pipeline project Samsun (Black Sea coast) - Djeyhan (Mediterranean coast), initiated by Ankara together with the Italian company ENI.

Fifthly, Ukraine's strategy in the region is uncertain and unused until the end. None of the strategic opportunities which the access to the sea openes such as the increase of domestic energy production and diversification of hydrocarbons supply has not been used for 20 years. The only exception is the construction of the terminal "South" and the Odessa-Brody pipeline, which by mid-2010 were used for the exact opposite purpose such as the transit of Russian but not Caspian oil instead. Hence, Ukraine watched the Russian activity of the by pass projects implementation, which reduced the volume of oil transit through Ukrainian territory (http://www.cisoilgas.com/article/Black-gold-of-the-Black-Sea).

The Russian right as the owner of energy is the implementation of any export policy, but this policy has challenges to energy security of Ukraine. In particular, with the commissioning of the BPS-2 in 2012, the volume of oil pipeline transit by Ukrainian Oil Transportation System, which is minimal nowadays will be reduced.

Moreover, in the volume of oil transit in 2010 (20.1 million tons) 16.9 million tonnes were transited by the pipeline "Druzhba" to the Central Europe, and only 3.2 million tons were transited by the ukrainian Black Sea oil terminals.

Analysis of the 2000-2010 dynamics indicates the futility of Ukraine's attempts to keep Russian oil transit using various admitions, including strategic (reverse use of the Odessa-Brody), because Russia steadily and consistently minimizes dependence on transit countries, regardless of their degree of loyalty and political and economic attachment.

However, this dynamic is a confirmation of the strategic mistakes of the Government of Ukraine in 2004, when it agreed the reverse use of the Odessa-Brody as the necessary measure. The result was that the transit oil volumes had not increased, but promising oil flows from the Caspian Sea region passed Ukraine. The trend about Russian oil transit through Ukraine reduction will continue in the future.

Another trend which causes concern is associated with increased activity in the hydrocarbon deposits production in the Black Sea in general and in particular on the Ukrainian shelf. Gas production in the Ukrainian shelf counts 1.16 billion with opportunity to develop it just to 1.2 billion meters the reason of it is in the lack of resources and the lack of deepwater production technologies in the national operators. The situation would be improved with the serious foreign companies appearance in Ukraine, just as it was in Turkey or Romania. It really can be done nowadays.

Also, the appearance of Russian companies in offshore developments around the Crimean peninsula will promote political encroachments on the Crimea. However, the risks associated with the Black Sea Fleet location in Sevastopol and others, reduce the attractiveness of Ukraine as a partner in the energy projects implementation. One of the examples is the reorientation of the "White Stream", which was to go through the Crimean peninsula to the connection with Ukraine's HPS, what made gas supply to the CEE impossible. However, the operating company directed pipeline route to Romania the reason was the permanent political uncertainty of Ukraine, and also Russian political and economic influences on the Crimea.

Joint economic activity in the Black Sea involving Russian companies, memoranda on which were signed in 2010 and early 2011, will work in favor of Russia, as Russia will continue to delay maritime borders delimitation, keeping the status quo of uncertainty. Overall, this strategy will strengthen Russian control in the Black Sea region.

THE CONCLUSIONS AND THE PROSPECTS OF THE FURTHER RESEARCHES

Azov and Black Sea regions are extremely important for Ukraine as a marine state formation and functioning as this region provides economic strategic competitive advantages of the state. However, inappropriate government policies, lack of clearly defined state marine boundary and the Ukrainian conflict of 2013-2014 weaken the power of Ukraine as a participant of

international marine relations and prevents its functioning as a marine state within the Azov and Black Sea region.

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