



## Nord Stream 2 in the cross hairs

 [sanskritias.com/current-affairs/nord-stream-2-in-the-cross-hairs](https://www.youtube.com/watch?v=sanskritias.com/current-affairs/nord-stream-2-in-the-cross-hairs)



**(Mains GS 2 : Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.)**

### **Context:**

Russia's attack on Ukraine has triggered "unprecedented" economic sanctions but one of the key issues at the bottom of the conflict is the Nord Stream 2 pipeline.

### **About Nord Stream Pipeline:**

- Owned by the Russian energy giant, Gazprom, Nord Stream, the longest subsea pipeline, is an export gas pipeline which runs under the Baltic Sea carrying gas from Russia to Europe.
- Nordstream consists of two pipelines, which have two lines each. Nord Stream 1 was completed in 2011 and runs from Vyborg in Leningrad to Lubmin near Greifswald, Germany.
- Nord Stream 2 which runs from Ust-Luga in Leningrad to Lubmin was completed in September 2021 and has the capacity to handle 55 billion cubic meters of gas per year once it becomes operational.

### **Crosses several countries:**

- The twin pipelines together can transport a combined total of 110 billion cubic metres of gas a year to Europe for at least 50 years.

- The Nord Stream crosses the Exclusive Economic Zones (EEZs) of several countries including Russia, Finland, Sweden, Denmark and Germany, and the territorial waters of Russia, Denmark, and Germany.
- In Germany, the pipeline connects to the OPAL (Baltic Sea Pipeline) and NEL (North European Pipeline) which further connects to the European grid.

### **Primary energy:**

- Despite global efforts to decarbonise energy, natural gas is set to remain one of the principal sources of primary energy till at least 2040.
- Europe is the world's second largest market for natural gas, and hence the battleground between the superpowers of hydrocarbon energy, the U.S. and Russia.
- Germany, despite a decade of "energiewende" (an 'energy turnaround' or the 'ongoing transition to a low carbon, environmentally sound, reliable, and affordable energy supply'), is still one of the world's largest importers of oil and gas.

### **Important for both region:**

- Europe requires more than 100 billion cubic metres of natural gas each year and around 40% of its gas comes from Russia.
- This gas is used for heating homes, factories, and offices in the harsh, long European winters and also for power generation.
- Moreover, Germany's transition to cleaner fuels by phasing out nuclear power and cutting reliance on coal has increased its dependence on Russian gas as gas is seen as a cleaner fuel.
- As for Russia, Nord Stream 2 is important because it eliminates the risks related with sending gas through transit countries, cuts operating costs by doing away with transit fees and gives direct access to its most important European customer.

### **The U.S. strategy:**

- The shale gas revolution has made the U.S. the world's largest producer of gas; and as production surpassed the peak set in 1973, it has become a major exporter of LNG.
- The strategy of reducing Russia's grip on the lucrative EU gas market is thus being pursued ruthlessly for both strategic and commercial reasons.
- U.S. LNG exports to the EU have grown rapidly to 22 billion cubic meters (BCM) worth \$12 billion in 2021; and will go up sharply, if Nord Stream 2 remains non-functional and Germany has to set up LNG terminals instead.

- And in case “green” activism curbs U.S. shale gas expansion, the geopolitically risk-laden effort to create a long-term Europe-Mideast gas nexus using the enormous gas reserves of Iran (and Qatar) could be revived.

**Conclusion:**

- The Nord Stream project has larger capacity than all of Russia’s current and planned gas pipelines to China; so it remains of great importance for Moscow.
- The implications for the U.S. 's Indo-Pacific strategy depend on how Russia’s gamble plays out: i.e. of a pre-emptive strike against Ukraine itself, rather than a “minor incursion”.