

MODERN CHALLENGES FOR RUSSIAN ENERGY DIPLOMACY

Igbal Guliyev – *PhD (Economics), Deputy Director, International Institute of Energy Policy and Diplomacy, MGIMO University, Russia. E-mail: guliyev@miep-mgimo.ru*

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For the recent months and even days, we have been observing a serious escalation of the situation in the world. Geopolitical processes tend to have increasing influence on the global economic development. Russia turned out to be in the middle of these tendencies and the energy sector is the most related. Considering political instabilities in the world, emerging competition between Russian and foreign energy companies, mainly US and European, the Russian energy security is becoming the most pressing issue.

Hence it is particularly important to examine new objectives of the Russian foreign energy diplomacy and the most crucial challenges it has to face considering the existing global geopolitical situation. New challenges threaten to undermine the comparative advantages of Russia as the leading energy supplier. The growing competition for energy markets requires new foreign policy methods and ways of energy diversification to be searched.

It is vital to mention that the key objective of the national energy diplomacy is to strengthen the role of our country in the global energy society by using its economic potential in the most effective way. Russia accounts for about 25% of global gas trade, 12% of oil trade and 12% of coal trade. Russian energy companies are the main suppliers for the European market.

The paper introduces the main trends of the Russian energy diplomacy, including market diversification, enhancing energy cooperation with the traditional partners, ensuring energy security, developing LNG and Arctic projects. The author describes the major joint projects with the European countries, such as Nord Stream, Druzhba Pipeline, Yamal-Europe Gas Pipeline and South Stream, as well as the biggest projects with other partners, for instance, Far East – Pacific Ocean oil pipeline and Sila Sibiri gas pipeline. In particular, the paper touches upon the perspectives of the biggest LNG projects focused mainly on the Asian market expansion (including such projects as Sakhalin 2,3,4, Yamal-LNG and Vladivostok-LNG). The development of the Arctic Region remains one of the Russian policy's priorities, especially in terms of transportation. The author stresses the importance of the Northeast Passage project and offshore projects.

The major part of this article is devoted to the relations between Russia and the European Union which, inevitably, play the determining role in the Russian energy diplomacy. Despite the great number of existing joint projects and the leading position of Russia among energy suppliers for Europe, the European Union is striving to minimize the dependency of the European energy market on Russian energy resources by introducing the Third Energy Package (which poses a threat for Nord Stream-2 project), establishing the Energy Union, encouraging green energy and shale projects and imposing sanctions on Russia.

Nevertheless, the European Union still remains one of the most important partners of the Russian energy sector. In 2012 more than 50% of all Russian energy supplies were directed to Europe. The author comes to the conclusion that longstanding energy cooperation between Russia and Europe is mutually beneficial for both parties. The success of this cooperation will only be ensured if economic interests prevail over political decisions exacerbating detrimental effects on economic relations among the countries.

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