

# Is Cancelling Nordstream 2 a Real Deterrent?

Philip Ammerman

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Newspaper reports this week have been filled with reported threats to cancel the Nordstream 2 natural gas pipeline, which runs under the Baltic Sea from Russia to Germany, in case Russia invades Ukraine.

As with so many other public policy positions taken by western countries, this is a largely symbolic gesture which will probably have little impact on the underlying situation.

Let's look at the facts.

The European Union (EU) consumed a total of 394 billion cubic meters (bcm) of natural gas in 2020. EU domestic production was only 54 bcm, or 14% of total consumption.

Net gas imports to the EU in 2020 were 326 bcm. Of these, Gazprom exported 175 bcm, or 44% of the total. Russian pipeline imports were 128 bcm (32% of total consumption) while Russian Liquefied Natural Gas (LNG) imports were 17 bcm (4% of total consumption).

So there are three key points to remember:

1. Russia already accounts for 44% of natural gas consumption in the EU;
2. There is already a Nordstream 1 pipeline in operation, which delivered 52 bcm in 2020, or 13% of total EU consumption;

3. Terminating Nordstream 2, which is ready but not yet licensed for operation due to a contrived formality, will simply remove an estimated 55 bcm of **future capacity**, not current capacity.

Given that Europe will remain a net gas and energy importer for decades, and given that Russia already provides 44% of total EU gas by consumption, it should be clear that the threat to terminate Nordstream 2 is a largely empty threat in terms of the present situation.

I see no indication in the reporting of the far greater threat: even small reduction in Russian gas supplies to Europe—for example, by turning off supplies via Ukraine—would result in an immediate energy and economic crisis in Europe.

Are politicians and journalists aware of this fact?

### EU Natural Gas Consumption and Supply

| 2020 Indicators                    | Volume (bcm)  | % Total Consumption |
|------------------------------------|---------------|---------------------|
| EU Consumption                     | 394           |                     |
| EU Domestic Production             | 54            | 14%                 |
| Net Gas Imports to EU              | 326           | 83%                 |
| of which Imports from Russia*      | 175           | 44%                 |
| Russian Pipeline Imports by Source |               |                     |
| Nordstream 1                       | 52            | 13%                 |
| Ukraine                            | 38            | 10%                 |
| Yamal (Belarus)                    | 33            | 8%                  |
| Turk Stream                        | 5             | 1%                  |
| Total Pipeline Imports             | 128           | 32%                 |
| New Pipeline Routes                |               |                     |
|                                    | Capacity, bcm |                     |
| Nordstream 2                       | 55            |                     |
| Trans Adriatic Pipeline            | 10            |                     |
| EU LNG Imports                     | 84            | 21%                 |
| EU LNG Imports by Country          |               |                     |
| United States                      | 19            | 5%                  |
| Qatar                              | 18            | 5%                  |
| Russia                             | 17            | 4%                  |
| Nigeria                            | 12            | 3%                  |
| Algeria                            | 8             | 2%                  |

\* *Gazprom reports natural gas exports to Europe of 174.9 bcm. The EU records that Russia accounted for 48% of total natural gas imports in 2020. I am displaying Russian natural gas imports as a share of total EU consumption.*

## Sources

European Commission DG Energy. 2021. Quarterly Report on European Gas Markets. [Online]. Available at: [https://ec.europa.eu/energy/sites/default/files/quarterly\\_report\\_on\\_european\\_gas\\_markets\\_q4\\_2020\\_final.pdf](https://ec.europa.eu/energy/sites/default/files/quarterly_report_on_european_gas_markets_q4_2020_final.pdf). Accessed on 9 December 2021.

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## Contact Info & Bio

Philip Ammerman is a consultant in the fields of investment advisory and digital transformation. He is the founder of [Navigator Consulting Group](#) and the [Centre for Innovation & Entrepreneurship](#). Philip is based in Limassol, Cyprus.

[info@navigator-consulting.com](mailto:info@navigator-consulting.com)