

Delegation of the Russian Federation

**STATEMENT BY MR. DMITRY BALAKIN,
DEPUTY PERMANENT REPRESENTATIVE OF THE RUSSIAN
FEDERATION, AT THE 1146th MEETING OF THE
OSCE PERMANENT COUNCIL**

18 May 2017

**In response to the address by the
Vice-President of the European Commission responsible for the
Energy Union, Mr. Maroš Šefčovič**

Mr. Chairperson,

We have listened attentively to the address by the Vice-President of the European Commission responsible for the Energy Union, Mr. Maroš Šefčovič. We trust that the practice of inviting high-level representatives of European and Eurasian integration associations to Permanent Council meetings will continue, and we will be able to familiarize ourselves with the whole range of approaches to such complex and specific issues as the development of co-operation in the energy sector in the OSCE area.

In this modern era of uncertainty, high volatility in energy prices and difficulties in forecasting the development of world energy, and also the urgent task of protecting critical energy infrastructure, all countries benefit from joint understanding and the implementation of mechanisms aimed at strengthening energy security. It is obvious to everyone that people's well-being, way and quality of life and sustainable global social and economic development itself are directly dependent on access to energy, and the system for ensuring this access is acquiring a global character.

Russia has always sought to develop with its partners an energy dialogue that allows for the constructive discussion and resolution of emerging issues. Russian companies have strictly complied with their contractual obligations and still do so, continuing to supply energy to the countries in the European Union without interruption. The implementation of the Turkish Stream gas pipeline project has entered the active phase. We are intensively developing co-operation with partners in the east of the continent, where a large market is open for Russian energy resources.

We believe that the establishment of a multilateral dialogue is one of the key conditions for ensuring reliable energy supplies to the consumer at reasonable prices and taking into account the interests of the supplier and the transit country. However, it is no secret that we often face the opposite: a crisis of trust between partners. The issues of

co-operation in the energy sector, which previously remained outside the sphere of the political differences between Russia and the EU, as a kind of “binding link” of interconnectedness between us, are actively politicized today.

For example, for political reasons, a number of EU countries and the European Commission blocked the construction of the South Stream pipeline. Also, based on political considerations, attempts are being made, including by the European Commission, to prevent the construction of the Nord Stream 2 gas pipeline along the bottom of the Baltic Sea. This is all the more surprising since the European Commission, in fact, recognizes that it has no legal grounds for preventing its implementation. And no one interfered with the construction of the first two Nord Stream lines. Russia and the participating companies view Nord Stream 2 as an exclusively commercial project and consider it cost-effective in view of the projected growth in demand for gas imports in Western Europe in the coming years.

According to statistics, shipments of natural gas from Russia now make up 43 per cent of the total EU imports (i.e. 26 per cent of total consumption), and oil supplies account for 32 per cent (i.e. 29 per cent of consumption). At the same time, frequently voiced claims about the EU’s total dependence on Russian gas are greatly exaggerated: Russian gas provides only 6.5 per cent of all energy consumed in the EU.

In our position, we are objective. In fairness, it should be noted that a more pragmatic and depoliticized approach has recently been taken with regard to a number of topical issues in the European Commission. In particular, in the gas sector. We hope that this trend will continue. We expect Russian interests to be taken into account in the context of the resynchronization of the energy systems of the Baltic States, which aspire to join the European energy system.

I should like to emphasize that our country is interested in continuing constructive co-operation with the EU in the energy sector. It is obviously easier to achieve a technological breakthrough through joint efforts. We are open to dialogue with partners on the effective implementation of mutually beneficial co-operation and the exchange of national experience in protecting critical energy infrastructure. If we manage to restore trust, then it will be possible to strengthen energy security, promote the economic development of our countries and the entire OSCE area. We just have to try to hear each other and invest in unifying rather than dividing projects.

Thank you for your attention.