

Can Europe survive without Russian gas?

Gas-rich Azerbaijan and Qatar pour cold water on EU's contingency plans



Mild temperatures have left Europe's gas storage facilities fuller than expected © Giulio Napolitano/Bloomberg

Valentina Pop 3 HOURS AGO

Good morning after another whirlwind of developments on the Russia-Ukraine front.

The EU, the US and the UK have adopted a first wave of [sanctions](#) in response to Russia's recognition of Ukraine's eastern breakaway republics and its subsequent deployment of troops into those territories. EU ambassadors last night agreed on blacklisting 351 members of the Russian parliament, three banks (Rossiya, Promsvyazbank, VEB-bank) and trade in securities — with the legal text set to be approved later this afternoon.

But given that Vladimir Putin [endorsed](#) the claims of Russian-backed separatists to the entire Donbas region, setting the stage for a full-blown conflict, more sanctions are likely down the road. “We are afraid that this story has not finished,” said EU foreign policy chief Josep Borrell, adding that allies were still “keeping ammunition in our toolbox”.

Meanwhile, Germany [halted](#) the approval of the Nord Stream 2 pipeline indefinitely, a decision which prompted threats from Moscow with a considerable increase to the price of gas. The EU imports 40 per cent of its gas from Russia and says it could survive a cut-off. But two of the EU's **alternative gas suppliers**, Azerbaijan and Qatar, caution that no country could make up for the gap. We'll unpack their arguments and the reasons for the EU to be so confident.

In **disinformation** news, the EU's diplomatic service has registered a considerable uptick in Russian propaganda justifying a war in Ukraine.

As for Brussels' other initiatives, the European Commission today is set to put forward proposals aimed at spurring the use of **big data** by European companies — the flipside being criticism that restrictions for transfers outside the bloc have a protectionist tinge.

This article is an onsite version of our Europe Express newsletter. [Sign up here](#) to get the newsletter sent straight to your inbox every weekday morning

No quick gas fix

Europe's strategy to rely on alternative gas supplies in case Russia turns off the tap was given a reality check yesterday, with officials from two fossil-rich countries warning they can't fill the gap in the short term, write **Valentina Pop and Henry Foy in Brussels and Andrew England in London**.

Last week, European Commission president Ursula von der Leyen [said](#) during the Munich Security Conference that the bloc could even withstand a full cut-off in Russian gas supplies. The EU has received a boost from liquefied natural gas (LNG) shipments and relatively mild winter weather recently, slowing depletion of gas reserves — even if that hasn't warded off the threat of high prices.

But in an interview with Europe Express, the ambassador of Azerbaijan to the EU, Vaqif Sadiqov, said that while his country is willing to increase gas deliveries to Europe, it will take at least a year to tap new reserves in the Caspian Sea or connect other potential suppliers such as Turkmenistan to the pipeline network shipping gas to Europe.

“We are not looking at ourselves as saviours of Europe or heroes that will cover all the demand in Europe. That would be ridiculous,” Sadiqov said.

Even if Azerbaijan were to use a direct pipeline to Italy at its maximum capacity, around 30bn cubic metres per year, it would still fall far short of the roughly 150bcm a year Europe gets from Russia, he said. “We are not going to compete with Russia on the European market,” Sadiqov said.

He also warned against expecting countries would offer Europe their own reserves “as a means of emergency support or supply”.

Meanwhile, the energy minister of Qatar, one of the world’s biggest LNG producers told reporters in Doha yesterday that there was “no single country” that could replace Russian exports to Europe.

The US has asked Qatar, the world’s largest exporter of LNG, to help fill the energy gap if Russian gas supplies to Europe are disrupted. But Qatar would require the consent of its big Asian clients, which are locked into long-term fixed contracts, to divert any LNG to Europe. Qatari officials have also cautioned that even then it would only be a short-term fix and not be sufficient to meet Europe’s needs.

Saad al-Kaabi, Qatar’s energy minister, said the amount of Qatari LNG that could be diverted to Europe is only 10-15 per cent.

Russian officials have wasted no time in making unveiled threats with the price of gas, following Germany’s move yesterday to pull the plug on Nord Stream 2. Former president Dmitry Medvedev, currently deputy chief of the Russian security council, tweeted that Europeans are “very soon going to pay €2,000 for 1,000 cubic metres of natural gas.”

Dmitry Medvedev  @MedvedevRussiaE 
Russia government official

German Chancellor Olaf Scholz has issued an order to halt the process of certifying the Nord Stream 2 gas pipeline. Well. Welcome to the brave new world where Europeans are very soon going to pay €2.000 for 1.000 cubic meters of natural gas!

2:19 PM · Feb 22, 2022 

 7.1K  Reply  Share

[Read 4.3K replies](#)

Propaganda war

After Putin ordered troops into Ukraine on Monday evening, the EU's diplomatic service observed a considerable uptick in disinformation coming from the Kremlin and targeting the bloc, writes *Eleni Varvitsioti in Brussels*.

“We see an astonishing co-ordination of many outlets,” said a senior EU official, noting that state-controlled information manipulation is pushed in a very co-ordinated way.

What officials have seen in the past hours is a change in the Kremlin narrative with an abundance of stories talking about Russia being under threat and needing to defend itself. Ukraine has been portrayed as a failed, corrupt state not worth protecting. In addition, fabricated stories are circulating in social media that could be used as a “casus belli”, an act that justifies war.

“It is relatively clear to us that it's about the destabilisation of Ukraine, targeting European audiences and portraying Kyiv as a failed state,” said an EU senior official.

EU officials who have been looking into Russian disinformation since 2015 can see a “clear state-organised information manipulation” taking place at this moment. Key government figures from the ministry of foreign affairs, ministry of defence, members of the Duma are taking part to pass the message. “A clear playbook is rolled out; it's planned and co-ordinated,” an official from the bloc said.

Chart du jour: Russia effect

Crude oil prices are approaching \$100 a barrel (\$)

Brent front month price



Source: Refinitiv
© FT

Brent crude oil headed towards \$100 a barrel for the first time since 2014, European natural gas prices jumped and global equities traded choppily yesterday after Russia's President Vladimir Putin ordered troops into Ukraine. ([More here](#))

European data for European companies

The European Commission is expected to put forward proposals today aimed at restricting the transfer of European big data to companies based in countries including China and the US, writes **Javier Espinoza in Brussels**.

Not content with draft regulations aimed at severely hampering the growing power of Big Tech, regulators in Brussels will today unveil the Data Act, that outlines limitations of transfer of big data generated by smart household devices, cars or even connected irrigation systems to companies based outside the bloc.

Some concerns are legitimate and have been growing since privacy activist Edward Snowden lifted the lid on mass US surveillance nearly a decade ago. Last year, the EU's top court also scrapped a transatlantic data transfer deal between the US and the EU that is used by thousands of companies to move data on privacy concerns.

But while existing regulation has safeguards for the transfer of personal data, the Data Act replicates that when it comes to non-personal, large data sets that can be used by artificial intelligence.

Industry lobbyists are worried about the feasibility of keeping European data in Europe while at the same time cutting out key trade partners in the US and China.

Still, Thierry Breton, the French internal market commissioner, has defended this philosophy. In an [interview](#) with the FT when he first outlined the idea, he said: “My goal is to prepare ourselves so the data will be used for Europeans, by Europeans and with our values.”

What to watch today

- 1 Baltic foreign ministers visit Ukraine, Germany’s Annalena Baerbock receives her French counterpart in Berlin
- 2 EU’s centre-right leaders meet for virtual summit on Ukraine
- 3 European Commission puts forward Data Act proposal

Notable, Quotable

-

It is very important that Nato keeps its open-door policy, that Finland keeps the right to apply . . . and that is our position for Ukraine and Georgia as well

Pekka Haavisto, foreign minister of Finland

Open door: Ukraine must be allowed to retain the option of Nato membership, Finland’s foreign minister told the FT in an [interview](#). Pekka Haavisto said Putin’s move to recognise the two breakaway republics in eastern Ukraine followed a worrying pattern that began with the 2008 annexation of parts of Georgia, then Crimea in 2014 “and now this one step further”.

- **‘Peashooter’ sanctions:** Boris Johnson [faced](#) widespread criticism yesterday that the UK’s sanctions announced in response to Russian troops crossing into eastern Ukraine were not tough enough.
- **Spanish opposition:** Spain’s opposition leader is under increasing pressure to end [a damaging internal conflict](#) that threatens his own position and the election prospects of his centre-right People’s party (PP).

Recommended newsletters for you

Britain after Brexit — Keep up to date with the latest developments as the UK economy adjusts to life outside the EU. Sign up [here](#)

Swamp Notes — Expert insight on the intersection of money and power in US politics. Sign up [here](#)

Are you enjoying Europe Express? [Sign up here](#) to have it delivered straight to your inbox every workday at 7am CET. Do tell us what you think, we love to hear from you: europa.express@ft.com. Keep up with the latest European stories [@FT Europe](#).