

THE NEW DIMENSION OF THE TURKEY-RUSSIA ENERGY COOPERATION TURKSTREAM

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ABSTRACT

TurkStream substantially contributes to bringing to the foreground an aspect of energy sources that strengthens cooperation and provides economic benefit rather than conflict.

The TurkStream gas pipeline project carrying natural gas from Russia to Europe via Turkey was inaugurated on January 8, 2020. The commencement of the pipeline's activity is considered a turning point in Turkish-Russian relations in the energy field. TurkStream, which consists of twin pipes each carrying 15.75 billion cubic meters (bcm) of natural gas, sets an important route for southern and southeastern Europe, in particular. With this project, Russia will transfer gas to Europe through Turkey for the first time. Previously, natural gas was transferred to Turkey via the West Line. From now on, however, TurkStream will transfer natural gas directly to Turkey via the first pipe, and at the same time, it will provide southern Europe with Russian gas via the second pipe, thus forming a new route to the European Union (EU) countries via Turkey. Hence, TurkStream strengthens Turkey's position as a country that contributes to the EU's energy security.

Owing to its geographical location, Turkey takes on the critical task of transferring energy mainly from the Caspian Basin and the Middle East to energy markets. Turkey is geographically located at the center of Europe, Russia, the Caspian Basin, the Middle East, and the Eastern Mediterranean, and its importance has become more evident with (pipeline) projects such as TurkStream and TANAP (Trans-Anatolian Natural Gas Pipeline Project). Turkey emerges as a key regional actor and increases its capacity and capability in the global energy markets. As a result, the changing energy geopolitics of Eurasia strengthen Turkey's position as an energy actor.

INTRODUCTION

The European Union (EU) imports 82 percent of the oil it consumes and 57 percent of the natural gas it consumes. Presumably, in the next 25 years, the share of imported oil will increase to 93 percent, and the share of imported gas up to 84 percent. As demonstrated by TANAP and TurkStream, Turkey can play an active role in other projects that will further increase the import of energy to Europe.¹ In fact, at the time TurkStream project became the topic of discussions in 2014, Turkey and the European countries produced 260 bcm natural gas in total and consumed 462 bcm gas. It is estimated that Turkey and the European countries will produce 194 bcm and consume 521 bcm in 2030.

Production in Europe dropped by 66 bcm compared to 2014, but the amount of gas needed increased. Consequently, Turkey and European countries will have to import 125 bcm

natural gas by 2030.² In this case, the importance of pipelines extending to Europe, such as TurkStream and TANAP, is better understood.

Russia holds the largest amount of natural gas reserves in the world and has a significant share in the natural gas supply to European countries and Turkey. European countries import an average of 40 percent of their natural gas from Russia. Turkey, on the other hand, has recently lowered the amount purchased from Russia by increasing the capacity of liquefied natural gas (LNG) facilities and the amount of gas received from TANAP. In previous years, Turkey imported more than half of the country's consumed natural gas from Russia, but managed to lower this to 48 percent in 2018. Contrary to relevant claims, TurkStream does not increase Turkey's dependency on Russian gas but increases the two countries' interdependence.

Hence, Turkey, more assertive than before in regards to becoming an energy center, will directly receive natural gas from TurkStream instead of the West Line. TurkStream will be operated by a joint company founded by BOTAŞ, Turkey's state-owned petroleum pipeline company, and Gazprom, the state-controlled energy company of Russia. A critical energy route to meet Europe's natural gas needs and an artifact of Turkish-Russian cooperation, TurkStream has significant potential to improve further the energy partnership between the two countries. The project increases the interdependence of Ankara and Moscow, and makes a positive contribution to the broadening of cooperation as far as the future relations of the two countries are concerned. Thus, TurkStream substantially contributes to bringing to the foreground an aspect of energy sources that strengthens cooperation and provides economic benefit rather than conflict.

1. "Problems of Delivering Pipeline Gas to Europe under Conditions of Western Sanctions", <https://www.atlantis-press.com/proceedings/tphd-8/55916702>, (Access date: 24.12.2019)

2. "Supplying Energy for the Future", Turkakım, <http://turkstream.info/tr/project/benefits/> (Access date: 13.01.2020)

THE TRANSFER OF RUSSIAN ENERGY SOURCES TO TURKEY AND EUROPEAN COUNTRIES

Russia has more than six percent of global oil reserves at 106 billion barrels and 19.8 percent of global natural gas reserves with 38.9 trillion cubic meters. Russia produces more than 11.4 million barrels of oil accounting for over 12 percent of global oil production. The country increased its oil exports to 9.2 million barrels per day, and met 13 percent of the world's total oil exports in 2018.³ Russia increased its natural gas exports to 248 bcm amounting to 26 percent of the global natural gas exports. The country exports about 25 bcm natural gas in the form of LNG and transfers 22 bcm of this to other countries through pipelines. In light of all this, Russia is one of the richest natural gas and oil countries in the world.⁴

Traditionally, Russia is the main supplier of the EU energy markets. According to data for 2017, up to 40 percent of the natural gas and about 30 percent of the oil consumed by EU countries came from Russia.⁵ It is anticipated that these figures will further increase in the future. One of the reasons for the increase in natural gas imports from Russia is that the EU has lowered internal energy production. Additionally, the EU consumes less coal and more natural gas for environmental reasons.

3. "BP Statistical Review of World Energy", <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2019-full-report.pdf>, (Access date: 24.12.2019).

4. Ibid.

5. "From Where Do We Import Energy and How Dependent Are We?" <https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html>, (Access date: 24.12.2019).

TABLE 1. THE EUROPEAN UNION'S OIL AND NATURAL GAS CONSUMPTION/PRODUCTION IN 2018 AND PROJECTED FIGURES FOR 2040

		2018	2040
Production	Oil (million barrel/day)	1.5	1
	Gas (bcm/year)	109	56
Consumption	Oil (million barrel/day)	13	8
	Gas (bcm/year)	458	457

Source: BP Energy Outlook – 2019

According to 2018 data, Russia exported approximately 244 bcm natural gas to Europe through pipelines. Germany imported the highest amount of gas (65 bcm) followed by the United Kingdom, Turkey, the Netherlands, and Italy; each country imported over 20 bcm. More than 25 countries in the EU import certain amount of natural gas through pipelines and some of them meet their needs only from Russia (Table 2).

It is predicted that TurkStream will transport natural gas to southeastern and southern European countries. The total consumption of Bulgaria, Hungary, Romania, Greece, Croatia, Serbia, and Slovenia will be 30 bcm. In this case, TurkStream will be significantly efficient in meeting the demands of the aforementioned countries. (Table 3)

The amount of natural gas Turkey purchased from Russia between 2011 and 2018 stood at an average of 26.4 bcm; the lowest being 24 bcm in 2018. On average, EU countries import 40 percent of natural gas from Russia. On the other hand, Turkey recently lowered the amount of natural gas imported from Russia from 60 to 48 percent by increasing the amount of gas received from TANAP and increasing the capacity of LNG facilities. When the amount of gas allocated in TANAP for Turkey reaches full capacity in 2020, the import rate will drop to 40 percent. (Table 4)

TABLE 2. NATURAL GAS IMPORTS FROM RUSSIA (EU MEMBER STATES/YEAR/AMOUNT) (2014-2018, BCM)					
	2014	2015	2016	2017	2018
Austria	4.2	5.0	7.5	9.8	9.0
Belgium		1.5	2.5	2.7	2.8
Bulgaria	2.8	3.1	3.2	3.3	3.2
Bosnia & Herzegovina	0.2	0.2	0.2	0.2	0.2
United Kingdom	15.5	22.5	25.7	29.1	34.2
Hungary	5.4	6.0	5.7	7.0	7.3
Germany	40.3	47.4	57.9	67.1	65.7
Greece	1.7	2.0	2.7	2.9	3.3
Denmark	0.4	0.7	1.7	1.8	1.7
Ireland	0.2	0.2	0.1	0.1	0.3
Spain				0.2	0.1
Italy	21.7	24.4	24.7	23.7	22.6
N. Macedonia	0.1	0.1	0.2	0.3	0.2
The Netherlands	4.7	8.4	27.5	17.4	21.4
Poland	9.1	8.9	11.1	10.5	9.9
Romania	0.5	0.3	1.7	1.4	1.5
Serbia	1.5	1.9	1.9	2.2	2.2
Slovakia	4.4	3.8	3.7	4.5	5.0
Slovenia	0.4	0.5	0.5	0.6	0.5
Turkey	27.3	27.0	24.8	29.0	24.0
Finland	3.1	2.8	2.5	2.4	2.6
France	7.5	10.5	12.5	13.3	13.3
Croatia	0.6	0.6	0.8	2.8	2.8
Czech Republic	0.8	0.9	3.1	3.8	2.6
Switzerland	0.3	0.3	0.3	0.4	0.6
Other Countries	6.6	5.4	5.8	5.5	6.3
TOTAL	159.4	184.4	228.3	242.0	243.3

Source: Gazprom, <https://www.gazprom.com/fi/posts/67/776998/gazprom-in-figures-2014-2018-en.pdf>

TABLE 3. NATURAL GAS PRODUCTION/DEMAND/IMPORT OF SOUTHERN EUROPEAN COUNTRIES IN 2016

	Ülkeler	Gas Demand (bcm)	Gas Production (bcm)	Imported from Russia (bcm)	Supplied by Russia (%)
European Union Member States	Romania	11,5	9,9	1,7	15
	Bulgaria	3,2	0,1	3,1	97
	Greece	3,8	0	2,7	70
	Croatia	2,6	1,6	0,8	31
	Slovenia	0,9	0	0,5	57
	Total	22,0	11,6	8,8	40
Other European Countries	Albania	0	0	0	0
	Serbia	2,4	0,5	1,9	79
	Montenegro	0			0
	Kosovo	0			0
	N. Macedonia	0,2		0,2	100
	Bosnia & Herzegovina	0,2		0,2	100
	Total	2,8	0,5	2,3	82
	Southeastern Europe Total	24,8	12,1	11,1	45

Source: IEA

TABLE 4. RUSSIAN GAS EXPORTS TO TURKEY VIA BLUE STREAM & WEST LINE (YEAR/BCM)

	2011	2012	2013	2014	2015	2016	2017	2018
Turkey's Total Imports from Russia via the following delivery routes:	26,0	27,0	26,7	27,3	27,0	24,8	29,0	24,0
Blue Stream	14,0	14,7	13,7	14,4	15,7	13,1	15,9	13,3
West Line	12,0	12,3	13,0	12,9	11,3	11,7	13,1	10,7

Source: Gazprom in Figures, Annual Factbook for Blue Stream Flow to Turkey; Gazprom in Figures, Annual Factbook for Total Exports to Turkey; Bulgartransgaz TYNDP 2016–25 & 2018–27.

On average, Turkey consumes 50 bcm natural gas annually, 99 percent of which is imported. Turkey does not depend on a single source and prioritizes the diversification of its source countries and routes through new pipeline, such as TANAP. The country's target is to reach circa 10 bcm natural gas storage capacity in 2023.⁶ Moreover, Turkey will continue to reduce the consumption of natural gas by using more renew-

able sources. It will also increase the number of LNG import terminals. All these developments decrease Turkey's dependency on Russia.

THE IMPACT OF TURKSTREAM ON TURKEY AND THE EU

On December 1, 2014, Gazprom and BOTAŞ Petroleum Pipeline Corporation signed a Memorandum of Understanding to construct a gas

6. "Tuz Gölü Doğal Gaz Depolama Genişletme Projesi Yeniden Yerleşim Eylem Planı", BOTAŞ, https://www.botas.gov.tr/uploads/dosyaYoneticisi/687685-gsep_rap_tr.pdf. (Access date: October 24, 2019).

pipeline running across the Black Sea toward Turkey. Hence, the construction of TurkStream pipeline commenced in 2016 with an inter-governmental agreement TurkStream's 660 km coincide with Nord Stream's former route but TurkStream is stretched a further 250 km to reach Thrace, Turkey.

Although the capacity of this project was initially announced as 63 bcm per annum,⁷ it was reduced to 31.5 bcm due to the EU's negative attitude. TurkStream's offshore string was completed on November 19, 2018, and the gas pipeline is planned to be brought into operation in January 2020.⁸

The TurkStream gas pipeline runs from the Russkaya compressor station near Anapa in the Krasnodar Region across the Black Sea, and carries gas all the way to the Turkish town of Kıyıköy on the coast of Thrace. The project is important in so far as it transfers Russian gas to Europe through Turkey for the first time. As a result of TurkStream, Turkey will become more important in the region's energy trade and its strategic importance will increase further.

The West Line, one of the two routes originating from Russia, passes through Ukraine and Bulgaria and ends in Turkey. Political and economic disputes between the Russian Federation and Ukraine over the past years have caused the supply of gas via West Line to Turkey to be cut off occasionally, jeopardizing the security of Turkey's energy supply.⁹

Fourteen bcm of gas per annum delivered through West Line will be delivered to Turkey via

TurkStream without any change in the terms and conditions of the existing contracts. Thus, the gas will be transported directly from the source country to Turkey without being exposed to possible interruptions caused by third parties.¹⁰

It appears that even if TurkStream did not exist, Russia would have avoided gas flows through Ukraine as much as possible, so that alternative routes such as Nord Stream 1, Yamal-Europe, and Blue Stream would have priority. If gas flow from West Line decreases and/or comes to a halt, Turkey's energy security will be imperiled. In fact, activating both TurkStream and Nord Stream 2 reveals Russia's strategy to reduce natural gas transit through Ukraine.¹¹ Russia seems to have made significant progress in the implementation of this strategy.

Nord Stream 1-2, TurkStream, Blue Stream, Yamal in Belarus, and the natural gas pipelines stretching to Finland, in particular, do not pass through Ukraine. The total capacity of all these natural gas pipelines amounts to 205.9 bcm. After Nord Stream 2 is activated, the capacity of the Nord Stream 1 and 2 lines will increase to 110 bcm, making up about half of the Russian gas sent to the EU.¹² In this case, Russia gives prominence to Germany instead of Ukraine and features Turkey with TurkStream.¹³

7. "Rusya-Türkiye: Doğalgaz hatlarıyla gelen ortaklık", https://www.bbc.com/turkce/ekonomi/2014/12/141202_rusya_turkiye_dogalgaz, (Access date: 24.12.2019)

8. GAZPROM, "TurkStream", <https://www.GAZPROM.com/projects/turk-stream/>, (Access date: 24.12.2019)

9. "Rusya, Ukrayna Batı Hattı'nı kesti Türkiye 'ek gaz alarmı'na geçti" *Hürriyet*, 07.01.2009. <http://www.hurriyet.com.tr/ekonomi/rusya-ukrayna-bati-hatti-ni-kesti-turkiye-ek-gaz-alarmi-na-gecti-10714500>.

10. TBMM "Türkiye Cumhuriyeti Hükümeti ve Rusya Federasyonu Hükümeti Arasında TürkAkum Gaz Boru Hattı Projesine İlişkin Anlaşmanın Onaylanmasının Uygun Bulduğuna Dair Kanun Tasarısı (1/788) ve Dışişleri Komisyonu Raporu" <https://www.tbmm.gov.tr/sira-sayi/donem26/yil01/ss441.pdf>, (Access date: 24.12.2019).

11. Maik Günther, Volker Nissen, "Gas Flows and Gas Prices in Europe: What Is the Impact of Nord Stream 2" <https://www.europeangashub.com/wp-content/uploads/2019/06/ilm1-2019200264.pdf>. (Access date: 24.12.2019)

12. Simon Pirani, "OIES Russian Gas Transit through Ukraine After 2019: The Options", *Oxford Energy Insight*, No: 41, p.14, <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2018/11/Russian-gas-transit-through-Ukraine-after-2019-Insight-41.pdf>, (Access date: 24.12.2019).

13. "Problems of Delivering Pipeline Gas to Europe under Conditions of Western Sanctions", <https://www.atlantis-press.com/proceedings/tphd-18/55916702>, (Access date: 24.12.2019).

On account of TurkStream pipeline, Russia will bypass Ukraine while sending natural gas to Europe; thus Kiev will suffer the loss of millions of dollars in transit revenue. In fact, Russia plans to extend TurkStream through Bulgaria and Serbia to nearby countries.¹⁴ As part of this plan, Bulgaria signed a 1.1 billion euro contract in September 2019 with Saudi-led group Arkad to build a 474 km pipeline across its territory. Russia is pressuring Bulgaria for the completion of the Bulgarian part of the line by the end of 2020.¹⁵ Separately, Serbia and Hungary are building another pipeline that will carry gas from TurkStream to these countries and further transfer it into Europe.¹⁶ Apparently, these countries work eagerly to partake in the benefits offered by TurkStream.

Since some of these countries in TurkStream's target region have their own natural gas production, they will not demand gas from this pipeline. For instance, Romania is expected to become an exporter when it begins to produce natural gas from its national gas reserves located in the country's offshore Black Sea region. Romania is anticipated to sell about 4-5 bcm of gas to regional countries by the middle of 2020. This amount of Romanian gas will play a role in meeting the rising need for gas in the region.

The arrival of TurkStream in the region and Romania beginning to export natural gas will slightly change the natural gas structure in the Balkans. Reportedly, West Line will no longer be needed because the growing natural gas

demands of Bulgaria and Serbia will be met by TurkStream. At this point, again, Turkey will gain more importance in the energy security of these countries. As soon as TurkStream becomes operative, the amount of natural gas transferred to EU countries through Ukraine will decrease by about 19 bcm.¹⁷

Gazprom views Greece, Italy, Bulgaria, Serbia, and Hungary as potential markets. It is projected that Bulgaria will consume 3 bcm natural gas per annum¹⁸ and other countries will procure the remaining 11.75 bcm. The transfer of gas to Bulgaria and Serbia will begin in 2021, to Hungary in 2021, and to Slovakia in 2022.¹⁹ Hence, compared to the past, Turkey will be more important as the initial point of transfer.

Turkey will directly supply gas through the first string of TurkStream, but there are different alternatives regarding the utilization of natural gas in the second pipe. The first alternative is the transfer of gas to Serbia via Bulgaria. The second is the transfer of gas to Italy through Greece via the Trans-Adriatic Pipeline (TAP), the extension of TANAP in Europe. Gazprom has expressed interest in using TAP to link the second line of TurkStream to Europe. In fact, TAP is designed to have an initial capacity of 10 bcm supplied by Azerbaijan.²⁰ All in all, it seems to be difficult to use TAP; thus, Bulgaria, Serbia, and Hungary come to the fore as the most likely route to Europe.

14. "TurkStream: Who Profits, Who Loses Out?", DW, <https://www.dw.com/en/turkstream-who-profits-who-loses-out/a-46364057>, (Access date: 24.12.2019).

15. "Russia Says Bulgaria to Complete Pipeline Stretch of TurkStream by 2020", Reuters, <https://www.reuters.com/article/us-bulgaria-gas-turkstream/russia-says-bulgaria-to-complete-pipeline-stretch-of-turkstream-by-2020-idUSKBN1X01F8>, (Access date: 24.12.2019).

16. "Erdogan Announces Turkey-Russia Gas Pipeline TurkStream Will Be Launched on January 8", RT, <https://www.rt.com/business/474739-erdogan-turkstream-launch-date/>, (Access date: 24.12.2019).

17. "SE Europe Gas Markets: Towards Integration", Oxford Institute for Energy Studies, <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2019/10/SE-Europe-gas-markets-towards-integration-NG-150.pdf?v=ebe021079e5a>, (Access date: 24.12.2019).

18. The Ministry of Foreign Affairs of the Russian Federation, https://www.mid.ru/en/web/guest/foreign_policy/news//asset_publisher/cKNonkJE02Bw/content/id/3858299, (Access date: 24.12.2019).

19. "Avrupa yolu göründü", *Milliyet*, <http://www.milliyet.com.tr/ekonomi/avrupa-yolu-gorundu-2782794>, (Access date: 24.12.2019).

20. "GAZPROM Keen on TAP as Turkstream Link for EU: Expert", IENE, <https://www.iene.eu/GAZPROM-keen-on-tap-as-turkstream-link-for-eu-expert-p3386.html>, (Access date: 24.12.2019).

On January 17, 2019, Russian President Vladimir Putin and his Serbian counterpart Alexander Vucic began negotiations for the extension of TurkStream to Serbia. Putin stated that Russia is ready for this project and may invest approximately \$1.4 billion in the development of Serbia's infrastructure to build a pipeline branch through this country. Vucic is also willing to have TurkStream extend through Serbia. In fact, the Serbian President said, "Serbia is free to say to all European partners and Washington that it will not introduce sanctions against the Russian Federation and that we will build the TurkStream pipeline through our territory."²¹ So, Serbia comes forward for TurkStream and Belgrade has adopted policies prioritizing Serbian national interests despite its membership bid to the EU.

Serbia is looking forward to Russian gas supplies reaching its own borders and has almost finished the construction of its part of the route. Bulgaria, on the other hand, started the construction late due to mandatory procedures. For this reason, the completion of the Bulgarian part of TurkStream may be delayed until the end of 2020.²² Although Bulgaria expresses willingness to transfer gas from TurkStream, Putin, on occasion, has criticized the country for delaying the project.²³

Meanwhile, the Ukrainian transportation network is old. Of the 33,200 km of transmission pipelines, 19,998 km are more than 33 years old; 12,752 are between 11 and 33 years old and require a great amount of financial re-

sources to be maintained.²⁴ Under these circumstances, Russia remains reluctant and invests in other routes instead of maintenance and repair. However, Russia seems to have different motivations in the construction of new routes. The capacity of natural gas production decreases but demand grows in the EU. Thus, the EU needs other outside sources. Again, importing gas in the form of LNG introduces new problems in terms of both price competition and capacity increase for infrastructure.²⁵

On the one hand, TurkStream is not in accord with the EU's strategic objectives and its third energy package. On the other hand, the United States disapproves of TurkStream and tries to enact CAATSA (Countering America's Adversaries through Sanctions Act) on this pipeline project. The U.S. Congress increases pressure by supporting sanctions against Nord Stream 2 and TurkStream. Approved by the U.S. Congress in December 2019, CAATSA articles target vessels engaged in pipe-laying on the seabed for the construction of the Nord Stream 2 and TurkStream pipeline projects. Thus, the relevant articles of CAATSA may be implemented in 2020.²⁶ However, the offshore part of TurkStream was not constructed by Turkish firms and, therefore, the U.S. cannot apply sanctions on Turkey under CAATSA. In addition, the construction of TurkStream started prior to the introduction of CAATSA and as a result, the TurkStream project should not be subject to sanctions under CAATSA.²⁷

21. "Serbia Not Planning Sanctions against Russia, Committed to TurkStream Project — President", Tass, <https://tass.com/economy/1044827>, (Access date: 24.12.2019).

22. "Bulgaria Deliberately Holding Up TurkStream Gas Pipeline Project, Says Putin", RT, <https://www.rt.com/business/475062-bulgaria-delays-turkstream-putin/>.

23. "Putin Bulgaristan'ı Türk Akımı projesini yavaşlatmakla suçladı", DW, <https://www.dw.com/tr/putin-bulgaristan%C4%B1-t%C3%BCrkak%C4%B1m%C4%B1-projesini-yava%C5%9Flatmakla-su%C3%A7lad%C4%B1/a-51535382>, (Access date: 24.12.2019).

24. Pirani, "OIES Russian Gas Transit through Ukraine", p.16.

25. The geopolitical impact of Nord Stream 2, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3360783

26. U.S. Sanctions on Nord Stream 2 and TurkStream Pipeline Projects (NDAA 2020) <https://masspointpllc.com/u-s-sanctions-nord-stream-2-turkstream-pipeline-projects-ndaa-2020-legal-analysis/>,

27. Yunus Furuncu, "Rusya Yatırımlarının Etkileri Ve Türkiye Enerji Sektörüne Yansımaları", SETA Analiz <https://setav.org/assets/uploads/2019/10/A298.pdf>, (Access date: 24.12.2019).

TurkStream adds to the rapprochement between Ankara and Moscow, and offers benefits to Turkey in certain critical issues such as the case of Syria which is of critical importance to Turkish foreign policy. The progress and further cooperation will benefit all parties. In fact, as a fruit of this cooperation, the natural gas needed by the EU is carried through Turkey while the amount of gas transferred has increased in time. If the natural gas reserves of Norway deplete in a short period of time, the EU will have to import more natural gas. The dependency rate on the European Union's energy imports in the 2000s increased from 47 percent to 55 percent in 2017.²⁸ Therefore, Turkey comes to the fore, again, as one of the most reliable routes to meet the EU's energy needs.

With TurkStream, the transit order of the countries purchasing natural gas from Russia changes. As a result of the natural gas on the West Line being transferred to Turkey through Ukraine, Romania, and Bulgaria, the cost of gas included transit fees as well. Thanks to TurkStream, there will be no more transit countries: Turkey will have natural gas directly, and Bulgaria and Greece will have an opportunity to become the second countries supplying gas from this pipeline. Turkey will pay less for Russian gas and will pay no transit fees.²⁹

CONCLUSION

The field of energy is considered as one of the main pillars of a stable and sustainable development. It closely affects economic and social development and, therefore, is one of the top items on state agendas. International projects similar to TurkStream have an impact on many areas. Turk-

Stream enhances Turkey's energy security while it increases the interdependence between Turkey and Russia. The reason is that while Turkey will receive natural gas that was once pumped through the West Line, BOTAŞ and Gazprom will operate TurkStream's second line to Europe.

Turkey claims its place in regional and global energy equations by strengthening cooperation with energy-rich countries such as Azerbaijan and Russia.

Turkey's importance as a transit point increases by the fact that Europe tries to maintain energy security by signing long-term agreements for safe passageways. The West Line stretched to Turkey via Ukraine, Romania, and Bulgaria. However, on occasion, energy cuts occurred in these areas. TurkStream provides an alternative route, which bypasses such difficulties, both for Turkey and other European countries. TurkStream undertakes a critical mission in terms of increasing security of supply not just for Turkey and Russia but also for the EU countries. Furthermore, Turkey comes closer to its objective to become an energy center through the materialization of the east-west and the north-south pipelines.

In order for Turkey to diversify sources of energy supply, reducing energy dependency and increasing security of supply are critical. In this scope, being one of the partners in far-reaching projects, such as TurkStream and TANAP, gives Turkey an upper hand. Turkey claims its place in regional and global energy equations by strengthening cooperation with energy-rich countries such as Azerbaijan and Russia. This is critically important for energy markets as well.

In terms of hydrocarbon reserves, continental Europe meets its energy needs mostly from

28. "From Where Do We Import Energy".

29. N. Tsafos, "Don't Fear Turkey's Energy Power Play", *The National Interest*, 2015 <https://nationalinterest.org/feature/dont-fear-turkeys-energy-power-play-11947?page=Show>, (Access date: 20.08.2019).

Asia and the Middle East. Projects such as TurkStream and TANAP have been developed to this end. Increasing the number of projects similar to TurkStream and TANAP positively contributes to the solution of security and economic issues on the regional and global levels.

Considering that Turkmenistan has the largest proven natural gas reserve in Central Asia, new cooperations with the regional countries can

be developed. Turkey is one of the key countries to play an active role in the transfer of natural gas from Turkmenistan to Europe. Turkey can easily become a critical actor in the energy market with the experience it has gained in the TANAP and TurkStream projects. For this reason, Turkey's leadership role in the actualization of international energy projects has without a doubt gained momentum.

THE NEW DIMENSION OF THE TURKEY-RUSSIA ENERGY COOPERATION: TURKSTREAM

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SETA | ANALYSIS

The TurkStream gas pipeline project carrying natural gas from Russia to Europe via Turkey was inaugurated on January 8, 2020. The commencement of the pipeline's activity is considered a turning point in Turkish-Russian relations in the energy field. TurkStream, which consists of twin pipes each carrying 15.75 billion cubic meters (bcm) of natural gas, sets an important route for southern and southeastern Europe, in particular. With this project, Russia will transfer gas to Europe through Turkey for the first time. Previously, natural gas was transferred to Turkey via the West Line. From now on, however, TurkStream will transfer natural gas directly to Turkey via the first pipe, and at the same time, it will provide southern Europe with Russian gas via the second pipe, thus forming a new route to the European Union (EU) countries via Turkey. Hence, TurkStream strengthens Turkey's position as a country that contributes to the EU's energy security.

Owing to its geographical location, Turkey takes on the critical task of transferring energy mainly from the Caspian Basin and the Middle East to energy markets. Turkey is geographically located at the center of Europe, Russia, the Caspian Basin, the Middle East, and the Eastern Mediterranean, and its importance has become more evident with (pipeline) projects such as TurkStream and TANAP (Trans-Anatolian Natural Gas Pipeline Project). Turkey emerges as a key regional actor and increases its capacity and capability in the global energy markets. As a result, the changing energy geopolitics of Eurasia strengthen Turkey's position as an energy actor.

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