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Russia Keeps Europe Guessing With Tight Gas Supplies; Moscow increased deliveries, sending prices lower, but it is too soon to say if it will send enough to avoid a winter energy shortage

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Russia showed tentative signs of boosting natural-gas deliveries to relieve **Europe's** energy crunch, as Moscow **keeps** a firm grip on the continent's fuel **supplies**.

President Vladimir Putin said last month that **Russia**, which **supplies** almost half of **Europe's** gas imports, would boost deliveries **in a bid to stabilize the market**, **with** prices high and reserves low ahead of the European winter.

Gas prices have **soared in Europe in recent months** due to low inventories and a recovery in demand as the economy rebounds from the pandemic. The price surge has taken a toll on energy-intensive industrial activity while consumers face a steep rise in energy bills as the winter heating season begins.

Russian flows to Germany have picked up somewhat this week, helping to pull prices down from historically high levels. Benchmark European **gas** futures dropped 12% on Tuesday to 69.90 euros, equivalent to \$81.02, a megawatt-hour.

The decline followed an increase in the amount of **gas** entering Germany and Slovakia via pipelines that transport Russian **gas**, underscoring the sway Gazprom PJSC holds over European energy markets during a global **gas** shortfall. The state-owned energy company has been slow to increase **gas** shipments even as Western European countries have struggled to rebuild inventories, which are below normal levels for this time of the year.

Tuesday's rise in exports was too small to indicate that Russian **gas** will help **Europe** skirt a potential winter energy crisis, analysts said.

Officials and analysts say that Moscow is using **Europe's** energy crunch to gain geopolitical leverage. In particular, European officials say that Moscow is using **gas supplies** to pressure regulators into approving Nord Stream 2, **a controversial gas pipeline to Germany** that is close to launching.

The pipeline, which goes alongside an existing link and would double its capacity, would allow Moscow to bypass Ukraine and Poland, whose governments are critical of the Kremlin and of the pipeline project. Russian officials have said publicly that approval of the pipeline would help solve the crisis.

"Moscow continues to flex its geopolitical muscle **with** energy," said Vladimir Frolov, former senior Russian diplomat and Moscow-based political analyst. "Moscow is opportunistically using the crisis in **Europe**, which is not of its making, to gain some leverage over the Nord Stream 2 certification."

Russia denies it is pressuring regulators to approve the pipeline and says it has been fulfilling its contractual obligations as a **gas** supplier.

"Our business partners and clients make no such allegations," Elena Burmistrova, director general of Gazprom Export, said at an industry event last week. "The reality is that in recent months Gazprom has been increasing **gas** production and **supplies** to major markets including **Europe**."

European officials say **Russia** is [deliberately withholding selling extra gas](#) on the short-term spot market and lawmakers have called for a probe into whether **Russia** is manipulating the market. Last month, Mr. Putin ordered Gazprom to increase **supplies** to storage facilities in Germany and Austria, after **Russia** has completed filling up its own **gas** facilities.

On Tuesday, Gazprom said it has "approved and began implementation of the plan to pump **gas** into five European underground storage facilities for November." The company declined to comment further.

The amount of **gas** heading into Germany at Mallnow, which lies close to the Polish border and connects **with** Gazprom's Yamal-**Europe** pipeline, rose. So did the volume of **gas** entering Slovakia from Ukraine at Velke Kapusany. Additional export capacity was booked at Velke Kapusany for Wednesday, indicating the increase would extend into a second day.

Also weighing on prices: A potential increase in production at Groningen, a large **gas** field in the Netherlands that is being wound down. Analysts said that the extra Dutch output may come too late to swell European **gas supplies** during the period of peak winter demand, and that **gas** flows from **Russia** into northwest **Europe** are still below average.

More **gas** from **Russia** would lessen the intense volatility experienced in recent months, said Wolfgang Peters, managing director of **Gas** Value Chain Co., which advises companies in the oil and **gas** industries. However, he said it wouldn't lead to a significant fall in prices, since the international **gas** market remains **tight** and competition for cargoes of liquefied natural **gas with** other regions is high.

"**Russia** would not have enough to calm the global market," Mr. Peters said.

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