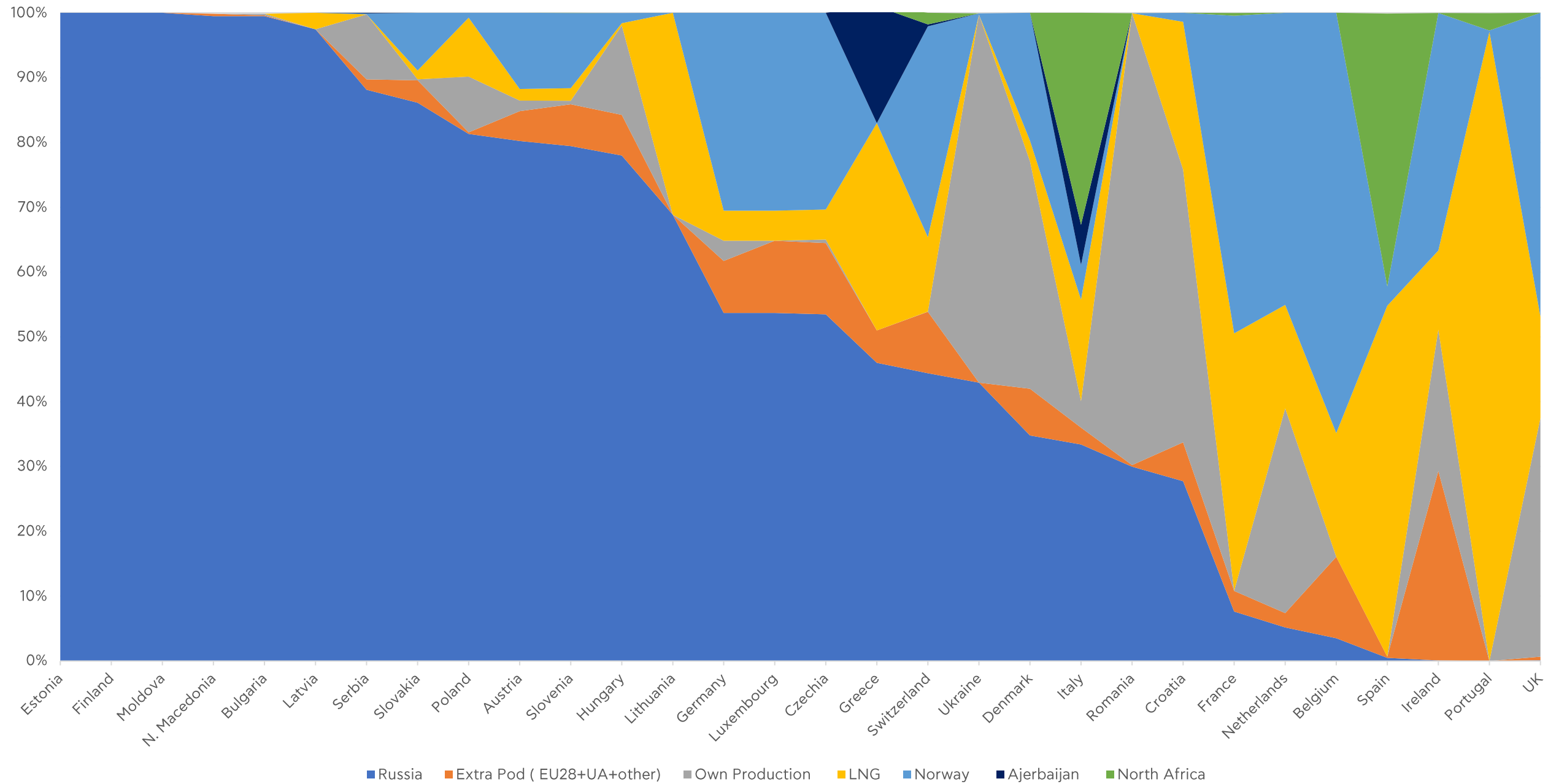


• February 2022

Diversification of gas supply sources in Europe

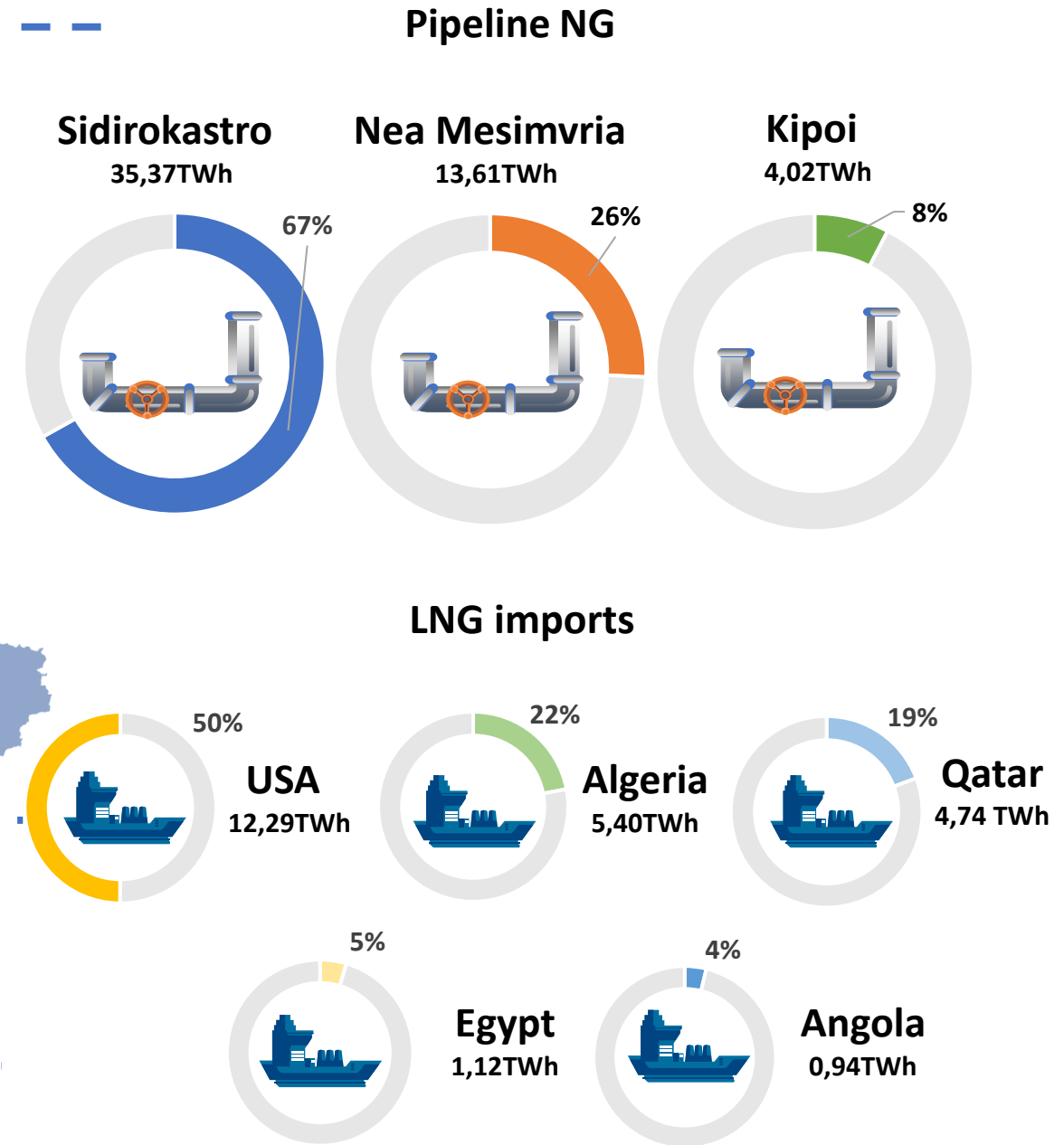
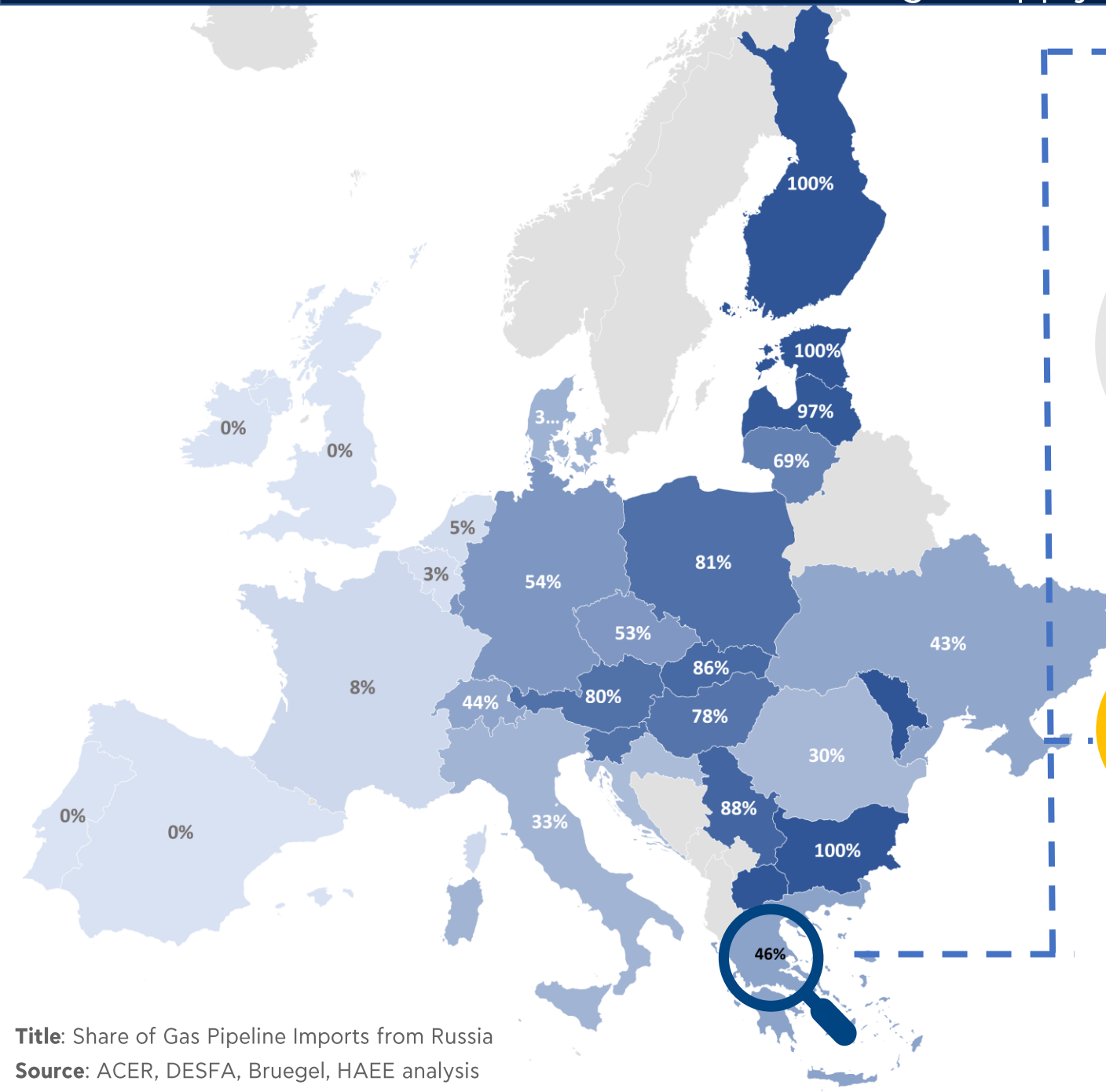
Diversification of gas supply sources in Europe



Title: Gas Supply by country of origin in EU27

Source: ACER, DESFA, Bruegel, HAEE analysis

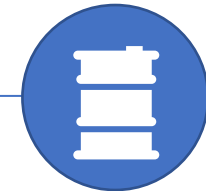
Diversification of gas supply sources in Europe



EU is the largest importer of natural gas in the world, according to the Directorate-General for Energy for the EU.

Eastern European Countries are relying almost **exclusively** on Russian Gas.

At least 19 EU countries are highly dependent on Russian gas, which represent at least 40% of their total natural gas imports.



The largest share of gas comes from **Russia (41%), Norway (24%), and Algeria (11%).**

Netherlands, France and Belgium import **low shares of Russian gas.**

01

NG Imports

Greece imports almost half NG quantities (45.5%) of the total pipeline imports from Russia through Sidirokastro, an increase of 10,4% compared to the same period last year.

02

Security of supply

Security of supply has been enhanced in 2021 with the operation start of another entry point "New Mesimvria". This point is the entry point of TAP in the Greek NG system.

03

New entry points

In its first year of operation, a quantity of 13.61 TWh was imported through the new entry point at Nea Mesimvria, which corresponds to 17.5% of total imports.

04

LNG Imports

Last year, LNG off loadings at the Revithoussa Terminal amounted to approximately 24.51 TWh from 35 tankers compared to 33.40 TWh from 49 tankers in 2020.



Due to competitive LNG import prices, the US remained the largest importer of LNG in our country with 12.29 TWh (50.14%), with significant imports of volumes recorded mainly in the second quarter of the year.



It is evident, that a possible disruption of Russian gas supply will affect a lot of EU countries and there will be a supply-demand deficit. The physical bottlenecks of the current NG network will complex the actions to diversify NG sources. High LNG volumes have to be secured in the existing facilities, with a current utilization rate between 30 and 70% and new projects should be examined. The costs for filling up storage are currently high due to high Natural Gas prices. Based on an estimation of Bruegel institute, injecting around 700 TWh into EU storage ahead of next winter will be a costly exercise. At current prices, this would cost at least €70 billion, compared to €12 billion in the period 2012-2021.



The high dependence on Russian gas, the currently high NG prices, and low NG storage levels in combination with physical bottlenecks and long-term contracts are creating a difficult-to-solve equation. There is a need for political commitment and immediate actions to lower the consequences to end-users and ensure sufficient gas supply.



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