

Chart of the Week #2024-32

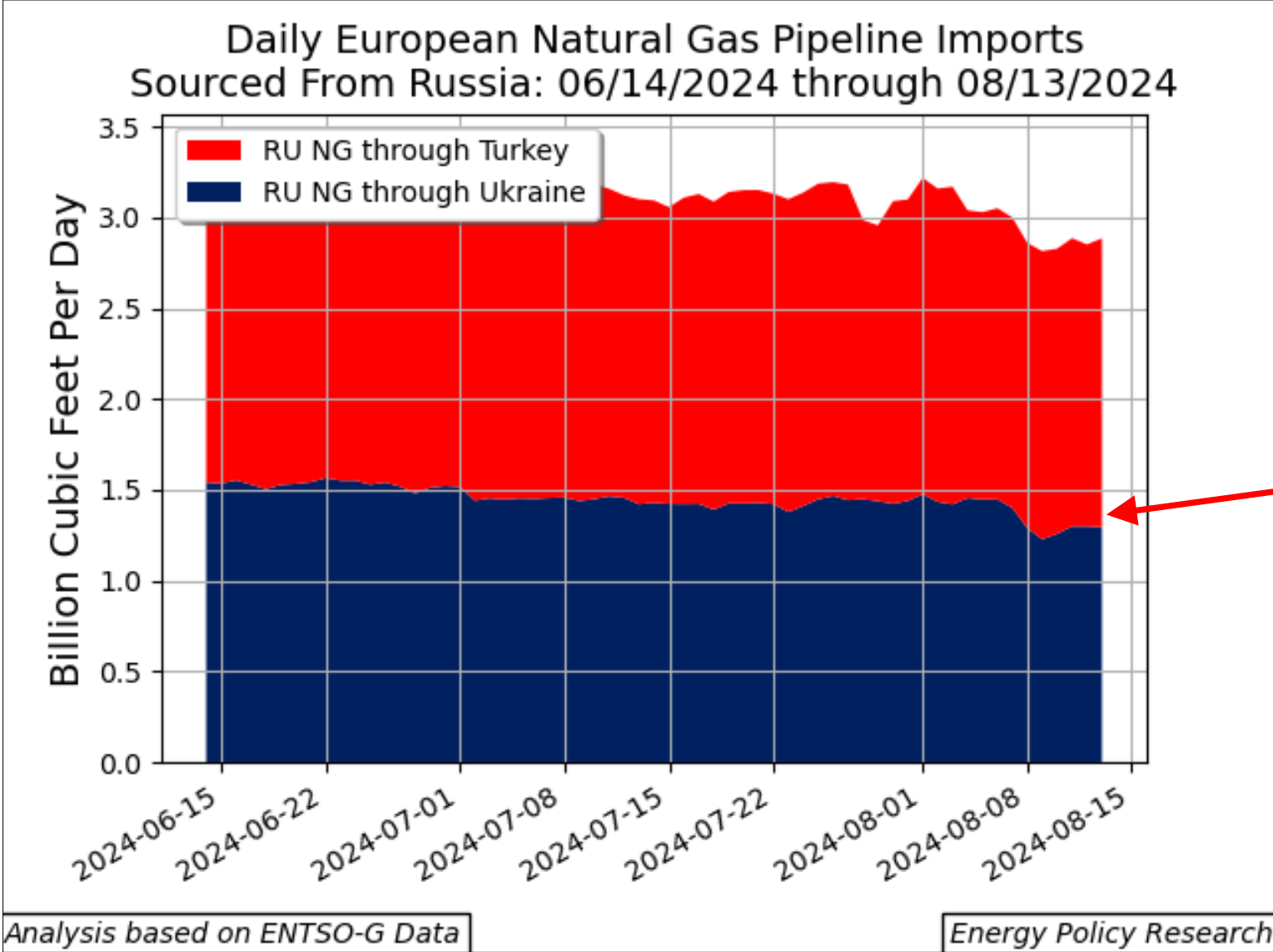
Russian Pipelined Natural Gas to Europe: Is Ukraine's Invasion a Threat?



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Russia's Pipelined Natural Gas: Summer 2024



A drop of 11% to 16% in transited volumes from Russia since Ukraine's August 6, 2024 invasion.

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- Russia's reliance on hydrocarbon exports to fund its war effort is common knowledge; but Ukraine's recent invasion and occupation of part of Russia's Kursk oblast could jeopardize a significant portion of that.
- Just prior to Ukraine's August 6, 2024 invasion, 1.45 billion cubic feet per day (BCF/d) was transited. Following the invasion, volumes dropped 16% to 1.22 BCF/d on August 9, 2024. On August 13, 2024, transited volumes were 1.29 BCF/d, off 11%.
- Ukraine has pipeline capacity to transit 15 BCF/d of natural gas from Russia to several receiving points on its western border for further transit into Central and Western Europe. The largest of these is at the Ukraine/Slovakia border. Austria is one of the largest recipients.
- In December 2019, Russia and Ukraine signed a new natural gas transit agreement with terms extending through the end of 2024. Russia agreed to a take-or-pay contract to transit a minimum of 4 BCF/d from 2021 to 2024. Since Russia escalated its war against Ukraine in February 2022, it has been shipping a steady 1.5 BCF/d through Ukraine.
- There are two primary compressor stations located in Russia that had been transiting natural gas into Ukraine: one near Sudzha on Ukraine's northeastern border; the other at Sokhranivka on Ukraine's eastern side.
- Beginning in May 2022, Ukraine's pipeline operator suspended transit from Sokhranivka citing dangers from the war; this made Sudzha the sole entry point.
- On August 6, 2024, two to three brigades of the Ukrainian Armed Forces invaded and occupied a substantial portion of Russia's Kursk Oblast near the town of Sudzha. This includes seizing GazProm's Sudzha compressor station located just across the border from Ukraine and across the road from the destroyed checkpoint.
- Russia receives 7-8 billion euros for natural gas exported to Europe. Ukraine currently receives \$800 million in transit fees even though the December 2019 contract stipulates a minimum of \$1.5 billion.

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- This slide deck is available at: <https://eprinc.org/chart-of-the-week/>
- For more information on these charts, please contact Max Pyziur (maxp@eprinc.org).