

Nabucco vs. South Stream;  
Chess or Race

Turkey's role in Region

By

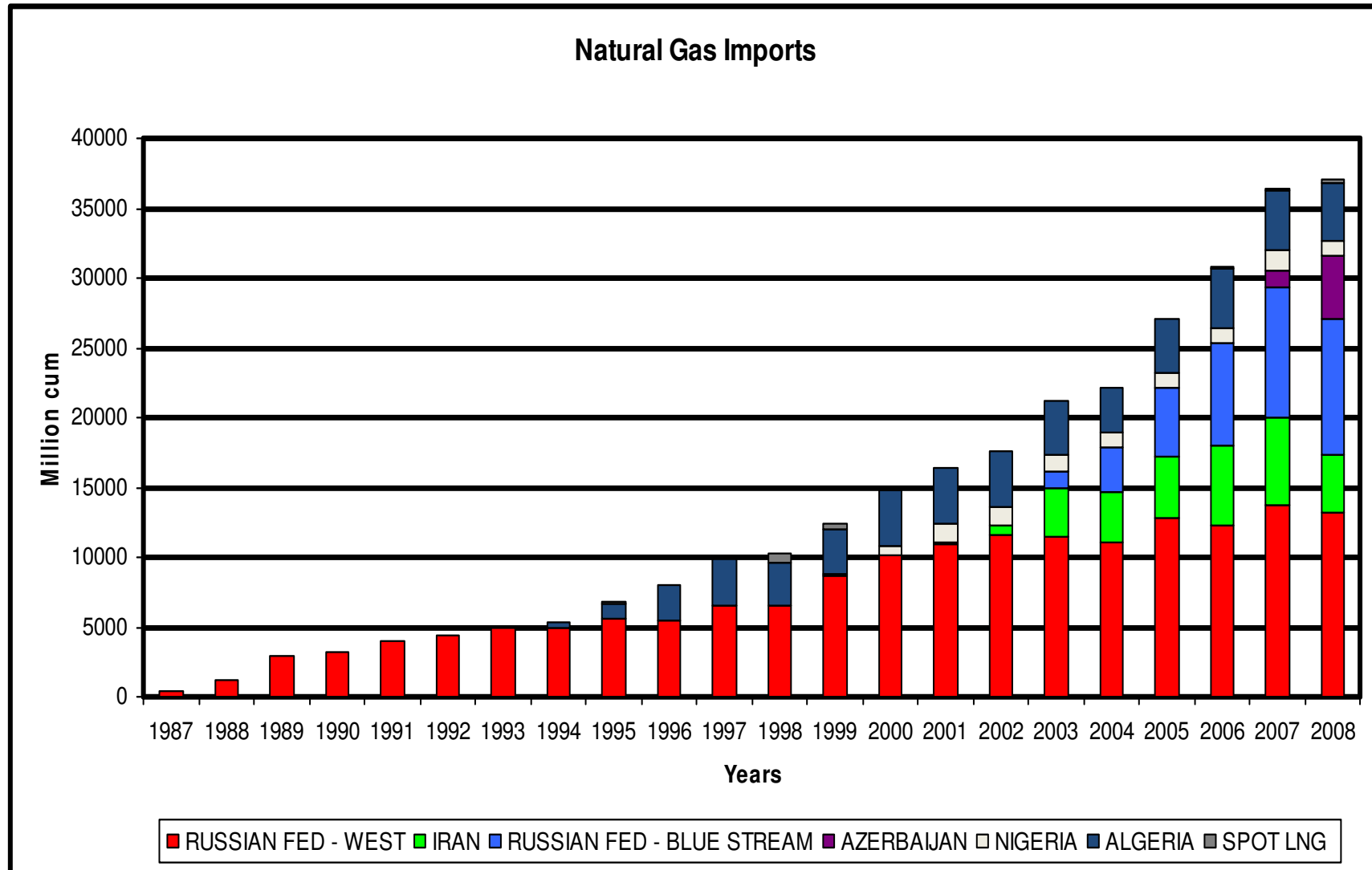
Gokhan YARDIM

Partner & Manager of ADG Ltd

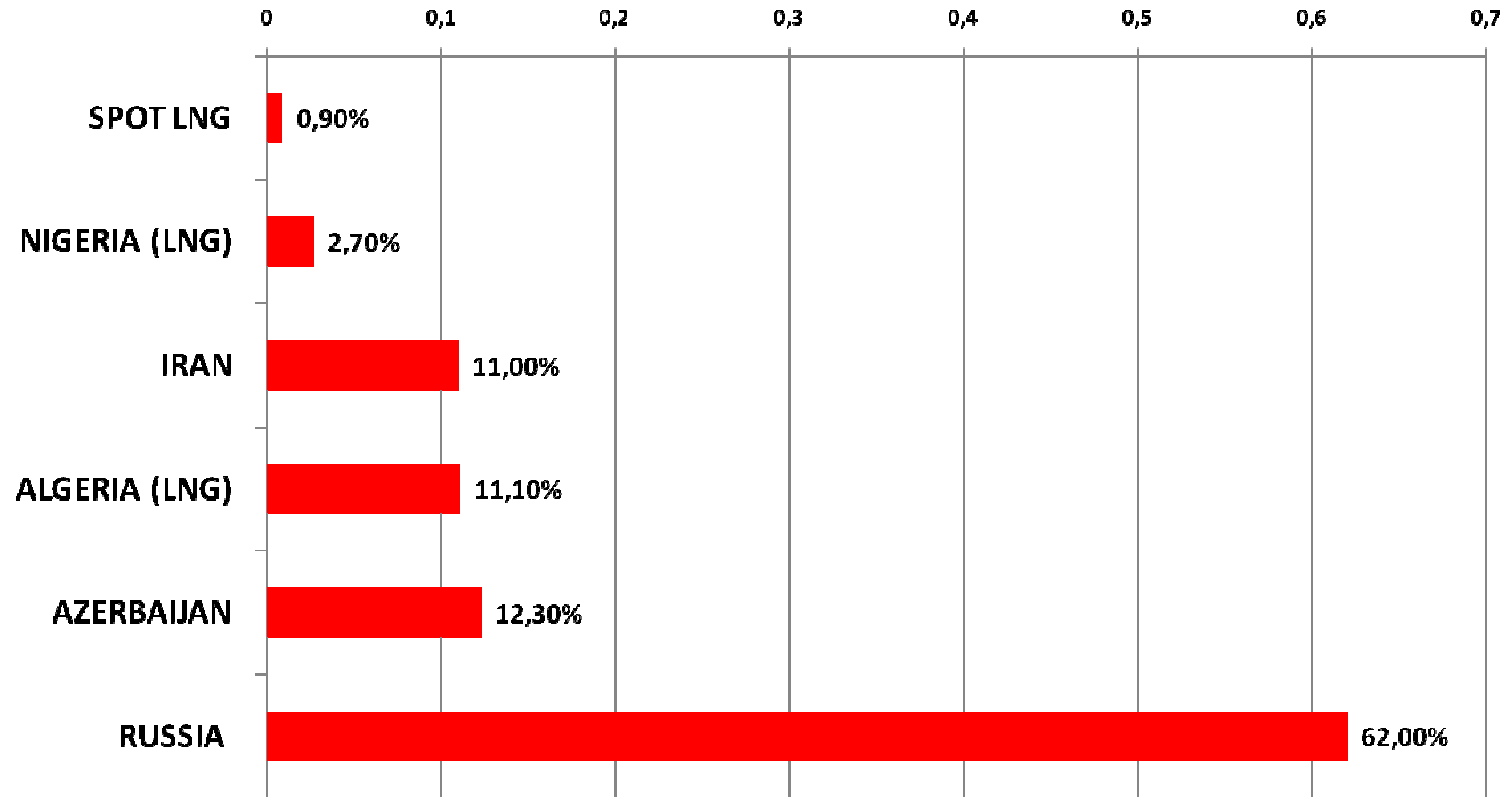
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# GAS IMPORTS



# IMPORTS BY SOURCES



# MARKET ACTIVITIES

- Import
- Storage of Natural Gas
- Transmission
- Wholesale
- Export of Natural Gas
- Natural Gas Distribution in Cities
- Distribution and Transmission of CNG

# TURKEY'S NATURAL GAS PIPELINE



# NATURAL GAS USAGE IN CITIES





SCREENING CHAPTER 21  
 TRANS-EUROPEAN NETWORKS  
 AGENDA ITEM II: ENERGY



**TURKEY - E-W and N-S – Energy Bridge: International Pipe Line Projects**

## A BRIEF HISTORY OF **BLUE STREAM**, **NABUCCO** & **SOUTH STREAM**

15 December 1997, Russia and Turkey signed an intergovernmental agreement on construction of the subsea pipeline. At the same time, Gazprom and BOTAŞ signed a 25-year gas sale contract.

15 Jul 1998: MoU, 2. Turkish-Austrian Joint Energy Commission in Ankara,

November 1999, the presidents of Turkmenistan, Turkey Azerbaijan and Georgia signed a four-party inter-governmental agreement on building Trans Caspian gas pipeline.

Spring 2000, quota allocation problem and cancellation of PSG right

18 March 2001, Turkey Azerbaijan IGA and Botas- Socar SPA signed



February 2002, Meetings between Botas and OMV Erdgas, leading to the Nabucco project, has been initiated.

22 May 2002, Cooperation Protocol between Botas and OMV.

11 Oct 2002, Cooperation agreement, Bulgargaz, Transgaz, MOL join the project.



**February 2003**, Gas flows from Russia to Turkey in Blue stream 1 started  
**2003-2004** ,Market Study and Technical Feasibility Study  
**24 June 2004**, Nabucco Co. Founded,  
**28 June 2005**, J.-V. Agreement signed by the five Nabucco partners,



**August 2005**, Russian President and Turkish Prime Minister discussed building a second Blue Stream  
**17 November 2005**. Inauguration of Blue Stream 1 project by Russian President, Turkish Prime Minister and Italian Prime Minister.



**In November 2006** Gazprom and Eni Strategic Partnership Agreement  
**On June 23, 2007,** Gazprom and Eni the Memorandum of Understanding for the South Stream project implementation.



**26 December 2007,** RWE became the sixth shareholder of the consortium,  
**January 18, 2008,** Russia and Bulgaria sign an inter-governmental agreement providing for Bulgaria's participation in the South Stream project.  
**5 February 2008** Turkish Energy Minister proposed Ahiboz to be a Hub that results shorten the Nabucco  
**8 February 2008,** Nabucco appoints Penspen for detailed technical planning  
**25 February, 2008** Gazprom and Srbijagas signed the Agreement of Cooperation  
**February 2008** Russia and Hungary signed the Intergovernmental Agreement  
**29 April 2008,** Russia and Greece sign an agreement to construct the South Stream gas pipeline section in Greece.  
**29 May 2008:** CAPEX increase from 5 to 7.9 bill € in Nabucco pipeline  
**7-16 August 2008** Russia- Georgia war

In January 2009, the dispute between Russia and Ukraine resulted in 18 European countries major falls or cut-offs

19 January 2009 Turkish Prime Minister asked EU the opening of EUChapter and supporting of EU ,

26-27 January 2009: Budapest Summit

4 February 2009 EU Nabucco Coordinator Jozias Van Aartse report four in Baku, in Romania, in Greece and in Austria.

9 April 2009 Pipeline explosion in Turkmenistan and cutting off shipments to Russia

16 April 2009 Turkmenistan exploration deal with RWE

8 May 2009 in Prague The European Union and Turkey gave fresh political impetus to the Nabucco pipeline project,

13 May 2009 Russian Federation Security Policy Document

15 May 2009, four agreements signed in Sochi South Stream project and Capacity was increased to 63 BCM.

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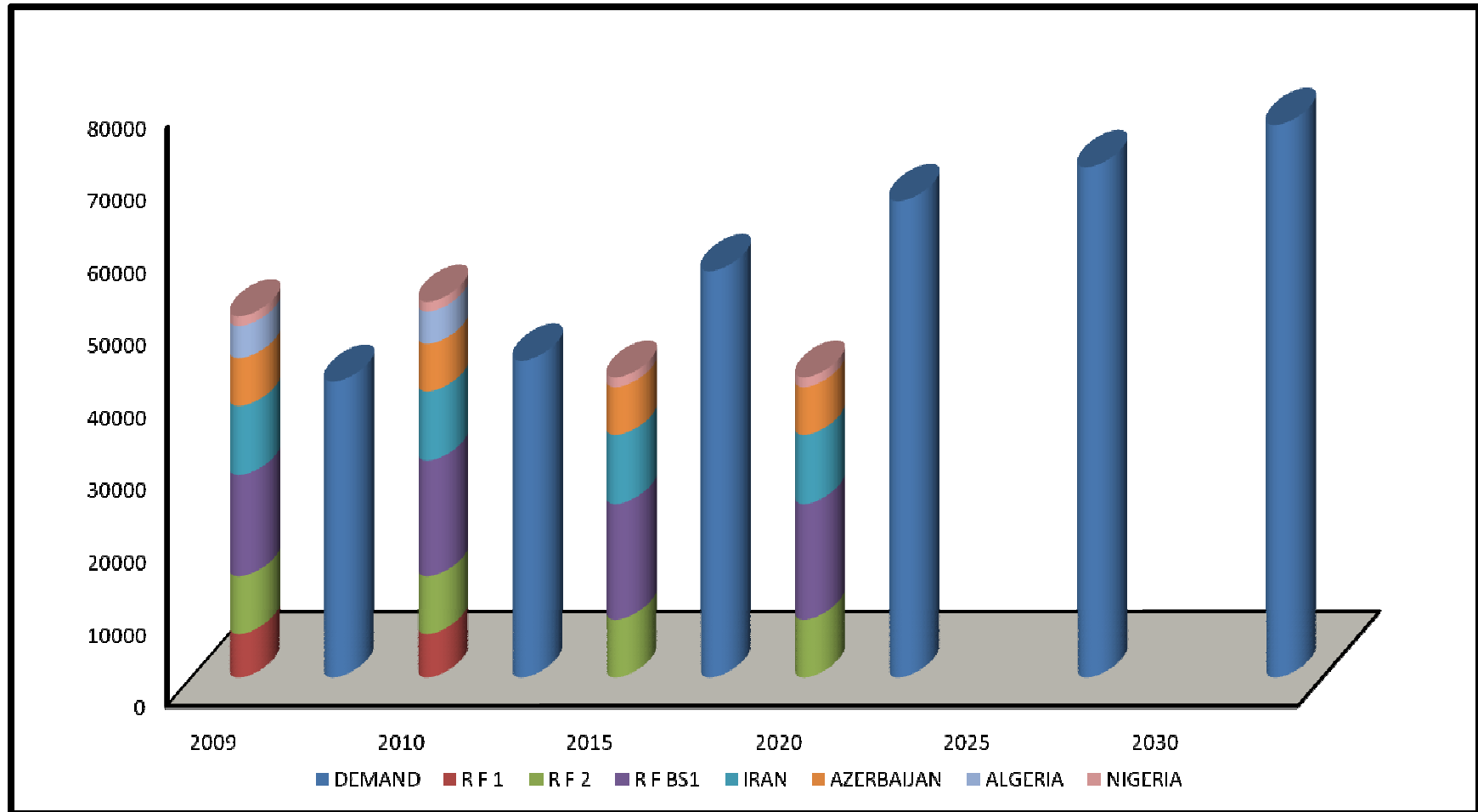
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# SECOND BLUE STREAM



# TURKEY'S DEMAND & SUPPLY





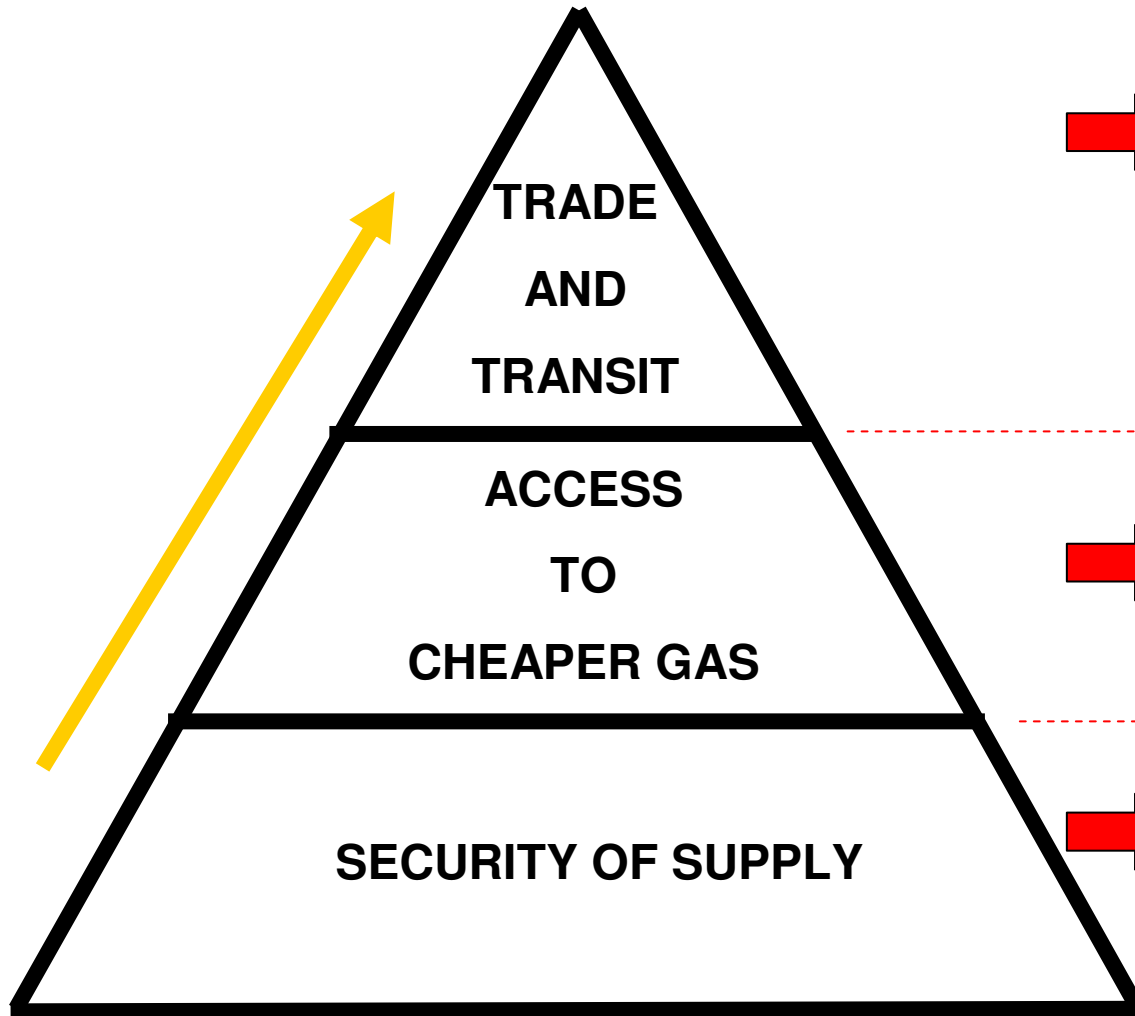
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**TURKEY - E-W and N-S – Energy Bridge: International Pipe Line Projects**



# Strategic Interests for Turkey



**TRADE  
AND  
TRANSIT**

**ACCESS  
TO  
CHEAPER GAS**

**SECURITY OF SUPPLY**

- Distane related transmission ta
- Use of existing infrastructure and idle capacities to the extent possible
- Trading of excess volumes
- Removal of final destination clauses
- Short-term import contracts

- Net back pricing with an option to buy for domestic use

- Balanced diversification of supplies supported by indigenous production
- Creating underground storage capacities to serve domestic and international markets

## European Parliament resolution on Turkey's progress report 2008 **IV. Strengthening EU-Turkey bilateral cooperation**

**39.** Recognises Turkey's ambition of becoming a Eurasian energy hub and the role it can play in contributing to Europe's energy security; commends the progress achieved by Turkey in the field of energy; recalls its above-mentioned resolution of 24 October 2007 supporting the opening of negotiations on this chapter and regrets that no agreement has been reached on this in the Council; encourages Turkey to join the European Energy Community as a full member, so as to strengthen energy cooperation between the EU and Turkey, which can benefit all parties involved; calls on Turkey to fully support the Nabucco pipeline project, which is a European priority project, and expects that an inter-governmental agreement aimed at bringing the pipeline into operation will be concluded soon;

THANK YOU.....