
Russia may abandon Nord stream pipeline part II

Monday, 24 Nov, 2008

It is reported that Russia has warned that it might abandon the Nord Stream gas pipeline project on the Baltic seabed from Russia to Germany. The warnings seem designed to line up wider European support for the project as well as to distract attention from the project intrinsic flaws.

Mr Vladimir Putin prime minister of Russia said last week that Russia may scrap its Baltic Sea gas pipeline project, Nord Stream and build gas liquefaction plants instead, if Europe keeps delaying the pipeline.

Mr Putin told Mr Matti Vanhanen prime minister of Finland at a meeting in Moscow that "Europe must decide whether it needs this pipeline or not. If you do not, we will build liquefaction plants and send gas to world markets, including to European markets. But it will be simply more expensive for you. You are free to make the calculations yourself."

At present, Nord Stream faces at least four hurdles that may, individually or in combination, prove insuperable.

1. Riparian countries objections and procrastination
2. Project Cost Overruns without investment in sight
3. Volatile oil and gas price dynamics
4. Production Shortfalls in Russia

For more news visit at www.steelguru.com