

# Putin, Xi launch 'historic' Russian gas pipeline

● Moscow is also planning to soon launch two more pipelines

● TurkStream and Nord Stream 2 bypass Ukraine

● Nord Stream-2 to Germany is expected to go online in mid-2020

● TurkStream expected to launch in January will transport Russian gas to Turkey

AFP | Moscow



Russian President Vladimir Putin, right, Deputy Prime Minister of Russia Dmitry Kozak, second right, and Russian Energy Minister Alexander Novak, back to a camera, attend a joint video conference with Chinese President Xi Jinping, in Sochi, Russia. (Courtesy of the Washington post)



Power of Siberia gas pipeline route (Courtesy of Gazprom)

Russia and China yesterday launched a giant gas pipeline linking the countries for the first time, one of three major projects aimed at cementing Moscow's role as the world's top gas exporter.

Presiding by video link-up over an elaborate televised ceremony, Russian leader Vladimir Putin and Chinese counterpart Xi Jinping hailed the "Power of Siberia" pipeline as a symbol of cooperation.

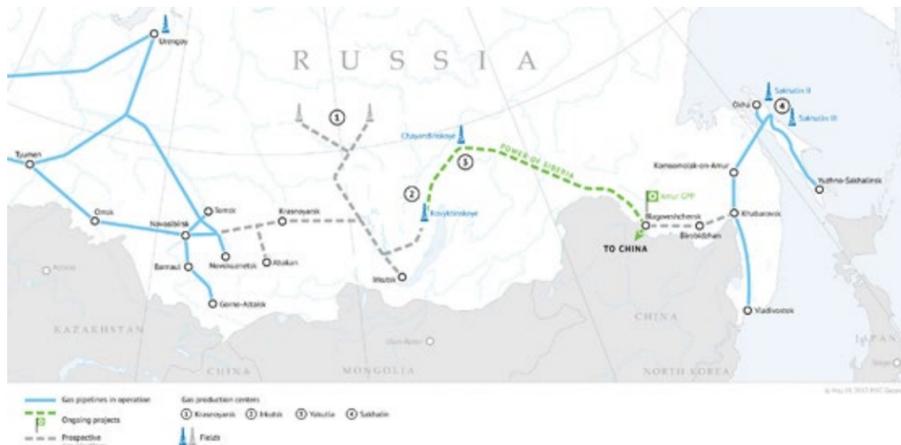
"Today is remarkable, a truly historic event not only for the global energy market, but first of all for us and for you, for Russia and China," Putin said.

Xi said the project served as a model of cooperation.

"China-Russia relations are entering a new era," Xi said. "Everyone worked hard."

The ceremony featured hard-hatted gas workers and videos showing the pipeline's difficult path from remote areas of eastern Siberia to Blagoveshchensk on the Chinese border.

Workers burst into applause and celebratory music played as the CEO of Russian gas giant Gazprom, Alexei Miller, speaking from the Amur region, ordered a valve opened for the gas to flow across the border.



## 'Hedging its bets'

The 3,000-kilometre (1,850-mile) pipeline -- which Putin has called "the world's biggest construction project" -- will supply China with 38 billion cubic metres (1.3 trillion cubic feet) of gas annually when fully operational in 2025.

Russia and China signed the 30-year, \$400 billion construction deal in 2014 -- Gazprom's biggest ever contract.

The pipeline is part of Russia's efforts to develop ties with Asia -- in particular top energy importer China -- amid long-standing tensions with the West.

Gazprom stressed that the pipeline ran through "swampy, mountainous, seismically active, permafrost and rocky areas with extreme environmental conditions".

Temperatures along the route plunge to below minus 60 degrees Celsius in Yakutia and below minus 40 C in the Russian Far East's Amur Region.

Work has also been completed on the first road bridge between Russia and China, further linking the two neighbours.

The bridge, which is to open next year, will connect the city of Blagoveshchensk and the northern Chinese city of Heihe.

Moscow however remains a key gas provider to Europe and is also planning to soon launch two more pipelines that will ramp up supplies to the continent while bypassing Ukraine -- TurkStream and Nord Stream 2.

Analysts said the three projects have long-term economic and political benefits for Russia, which has inserted itself between European markets to the west and the rapidly growing Chinese market to the east.

"Russia is not only creating new income streams, but hedging its bets and bolstering its position strategically," said energy analyst Andrew Hill.

"The ability to play one off against the other will not have been lost on either Gazprom or the Kremlin," Hill, who leads the S&P Global Platts EMEA gas and power analytics team, wrote in a blog.

## Questions about profitability

But some analysts have said the project makes little economic sense, given its enormous costs, and should not have been built.

"This is not a commercial project," said Mikhail Krutikhin, estimating the pipeline's cost at some \$100 billion, nearly double the \$55 billion price tag an-

nounced by Gazprom. "It will never pay for itself," Krutikhin said.

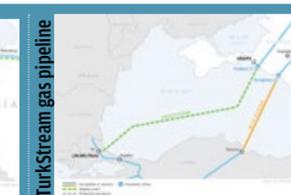
The Power of Siberia launch came amid continued wrangling over Nord Stream 2.

Nord Stream-2, which would double gas volumes to Germany, is expected to go online in mid-2020, though it has faced opposition from the United States and eastern Europe, particularly Ukraine.

Critics fear it will increase Europe's reliance on Russian energy supplies which Moscow could then use to exert political pressure.

TurkStream, which Putin and Turkish leader Recep Tayyip Erdogan hope to launch in January, will transport Russian gas to Turkey, also bypassing Ukraine.

Running under the Black Sea, the pipeline consists of two lines -- the first intended for Turkish consumers, while the second will send gas to southern and southeastern Europe.



The pipeline providing China with Russian natural gas is scheduled to reach 5 billion cubic meters in 2020



The flow will increase to 38 billion cubic meters of natural gas annually from 2024, under a 30-year contract signed between the China National Petroleum Corp (CNPC) and Russian gas giant Gazprom in May 2014.

Pipeline has a 3,000-km section in Russia and a 5,111-km stretch in China.

Nord Stream 2 and TurkStream 2 gas pipelines



TurkStream gas pipeline

## Carrefour, CrediMax to launch 0% Interest Scheme

The offer available on select electronic purchases until 31 March 2020

TDT | Manama

Carrefour, operated in Bahrain by Majid Al Futtaim, announced joining hands with CrediMax to launch a zero per cent interest scheme on select purchases until 31 March 2020.

The offer applies to Carrefour's customers who are CrediMax cardholders or MaxWallet users and purchase electronic items in stores worth a minimum of BD50 and a maximum of BD1,000.

Commenting on the deal, Jerome Akel, Country Manager of Carrefour in Bahrain at Majid Al Futtaim Retail said the offer allows shoppers to own latest gadgets sooner and with less strain on their



Carrefour and CrediMax officials during the launch of 0% interest scheme

finances.

The promotion, he said, is available for a limited time only. "We encourage them to visit our stores before the end of March to avoid missing out."

Yousif Ali Mirza, Chief Executive of CrediMax commented: "We continuously work to provide new benefits that enhance our customers experience every time they use our cards, therefore CrediMax customers will be able to enjoy 0% interest on select electronic purchases at Carrefour."

Participating Carrefour stores include those located in Bahrain City Centre, Bahrain Mall, Enma Mall, Seef Mall Arad, Manama, Exhibition Road, Budaiya Jawad Dome and Muharraq.

## Saudi Arabia wants OPEC+ to deepen oil cuts

Reuters | Dubai/London/Moscow

OPEC and its allies plan to deepen oil cuts and have the deal in place so it runs at least until June 2020 as Saudi Arabia wants to deliver a positive surprise to the market before the listing of Saudi Aramco, two sources familiar with the talks said.

The deal being discussed by the Organisation of the Petroleum Exporting Countries and other producers, known as OPEC+, would be to add at least 400,000 barrels per day (bpd) to existing cuts of 1.2 million bpd or 1.2 per cent of global supply.

The current deal runs to March.