**New Energy Export Projects of Russia:**

**Geopolitical Risks and Perspectives of their Implementation**

**For the Asia Energy Market**

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**Abstract.**

As one of the key suppliers of hydrocarbons at the world market, Russia has strong background in terms of the hydrocarbons export to Europe. However, there is still an imbalance in energy resources export to Europe. According to the BP Statistical Review of World Energy-2019, in 2018 Russia has exported 153.3 billion cubic meters (bcm) of crude oil to Europe and only 92.6 bcm to Asia-Pacific region. As for the gas export, 193.8 bcm were exported to Europe by pipelines, and none to Asia, while 6.8 bcm were exported to Europe as LNG and 17.2 bcm to Asia. Now through the realization of several perspective gas and oil pipelines projects oriented for bulk consumers in Asia Russia is trying to establish new supply chains. The paper analyzes present situation in hydrocarbons export of Russia using official sources of Russian government – statistic of Ministry of Energy of Russia, Russian Federal State Statistics Service, and data of largest export companies, such as PJSC Gazprom Annual Reports, Rosneft financial statements.

Asia is the fastest growing region in the world, and energy consumption in the region is expected to increase in the short and medium terms. By the means of comparative analysis of Russia’s initiatives concerning existing and new gas pipelines (Power of Siberia, North Stream II, TurkStream, Yamal LNG projects) authors view opportunities, possibilities, challenges and importance of these projects for the Russia’s neighboring countries. The importance of Asian partners is stated in the draft of ‘Project on Energy Strategy of Russia for 2035’ (December 18, 2019) : market share gains of Asia-Pacific region in the global energy export market of Russia should amount about 50 % of energy resource market (while in the previous draft of ‘Project on Energy Strategy of Russia for 2035’ (February 1, 2017) market share of Asia was stated as 30-40%).

Authors suggest that the main risk factors for the abovementioned energy-related project implementation have to deal with the geopolitical difficulties. That is, first of them is connected with the position of the United States and its main allies in the region. Given the “diplomacy of sanctions” of USA towards Russia and other countries, as well as the uncertainty in trade relations between the USA and China, authors assume that the active promotion of Russia to the Asian energy market will trigger the similar reaction of USA as it was expressed towards TurkStream and Nord Stream II projects. Second risk factor is the Korean Peninsula situation. While the region is unstable, it is difficult to make plans and create projects of united energy supply network through DPRK to South Korea. Thirdly, Russian-Japanese relations remain complicated, and this factor undermines the development of joint bilateral energy projects, thus making Russia to rely on other trade partners, such as China.

Therefore, in the short term, the cooperation pattern between Russia and China shows every sign to be the most successful. Russia could become the most reliable energy supplier of the "One Belt - One Road" project and play an important role in the ‘community of one destiny for all mankind’ conception, proposed by China’s government.

According to the case-study research methods while analyzing present situation, authors suggest four possible scenarios for the development of the Russian presence and future role in the Asian energy market. The first, optimistic scenario, is based on the future model of cooperation in which energy export projects would be realized as it is planned by the Russian authorities and their foreign partners. The second, realistic scenario, takes into account that realization of energy export projects would face certain difficulties, and this forecast is based on the current international relations situations and factor of economic sanctions. The third, pessimistic scenario, views the situation in which new promising projects would not be implemented, and existing ones would not receive proper development. And fourth fantastic scenario, is an attempt to create forecast in which existing foreign policy problems would be solved positively, thus providing the basis for the realization of projects that at the present time exist only on paper.

As a great part of the hydrocarbons that are planned to be developed more actively are located in the remote regions of Arctic and Far East, Russian government recently is putting serious efforts to force urban development in those areas of Russia.

**Keywords:** *Asia energy market, energy export, energy security, hydrocarbons export, geopolitical risks, Russia, Asia-Pacific, China, Japan, South Korea, DPRK, Arctic, Northern Sea Route, urban development*