

Turkmen Gas Pipe Gets Support

By [The Moscow Times](#)

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ASHGABAT, Turkmenistan — Turkmenistan has won support from its Caspian neighbors to lay a pipeline under the sea and become a major gas supplier to Europe, a senior official said Friday, boosting plans for the EU-backed Nabucco project.

Turkmenistan, which according to BP data holds the world's fourth-largest natural gas reserves, will have up to 40 billion cubic meters of gas available for Europe, said Baymyrad Hojamuhamedov, deputy chairman of Turkmenistan's cabinet of ministers. He did not specify when this gas would be available.

“Taking into account domestic demand in the west of the country and supplies from there to Iran, we will have 40 bcm of gas free every year, so European countries need not worry,” Hojamuhamedov told an energy conference.

Turkmenistan is seeking to diversify exports from its traditional market, Russia, and has already boosted supplies to China and Iran.

It could potentially become a major supplier of gas to the European Union-backed Nabucco project to supply the fuel to European markets.

Nabucco, intended to deliver gas from the Caspian region to Europe, is expected to cost about 7.9 billion euros (\$11 billion) and come on line with about 15 bcm of gas by the end of 2014.

“Europe is the world’s biggest spender on energy imports. Turkmenistan is ideally placed to catch a piece of the action,” said Wolfgang Peters, head of supplies for Caspian, Central Asia and Russia for RWE Supply & Trading.

Hojamuhamedov said Turkmenistan’s president, Gurbanguly Berdymukhammedov, had proposed to a regional summit in Baku on Thursday that any two of the five countries on the Caspian should be able to agree on laying a pipeline under the sea.

He said “the majority” of the Caspian countries had agreed to this proposal. Hojamuhamedov declined to say which countries had agreed to the bilateral pipeline proposal.

In theory, Turkmenistan can build a pipeline to Azerbaijan, a route that could deliver gas onward to Europe via Turkey. But the minister did not specify whether there had been a formal agreement, and he did not say whether Azerbaijan — also a potential supplier of gas to Nabucco — intended to participate.

“We are selling gas to Iran, China and Russia and talks on the Turkmenistan-Afghanistan-Pakistan-India pipeline are moving at a fast pace,” Hojamuhamedov said.

“This initiative now opens up one more direction, across the Caspian Sea, and the opportunity to sell our hydrocarbons on the European market.”

The Caspian is the world’s largest fresh-water lake, therefore its regulation does not fall under the 1982 U.N. Convention on the Law of the Sea that regulates maritime boundaries and exclusive economic zones.

“The question about building a pipeline under the sea is very difficult because it is not just economics involved. There is also ecological safety,” said Alexander Medikov, a maritime lawyer for Jurinflot.

“The decision to build a pipeline should be agreed upon by all parts, or else it could end quite badly. Iran, whose Caspian sector borders on the Azeri and Turkmen waters in the south, would suffer greatly from an accident there.”

ING bank’s energy analyst Igor Kurinnyy said: “Turkmenistan is sending a message to the EU that it can supply gas for their pipeline without full agreement from all Caspian countries.”

“But in reality it will be very difficult to bypass Russian and Iranian agreement,” he said. “Russia and Iran are major gas players and want to undermine the investment case for the Nabucco pipeline and block Turkmenistan from selling gas to it.”

Russia, which also has a coastline on the Caspian, is pursuing its own rival project, South Stream, to supply gas to the European market.

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