

Turkey Turning to Coal to Reduce Gazprom Dependence

By [The Moscow Times](#)

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LONDON — Worried about dependence on pricier gas from Iran and Russia, Turkey is turning to its own coal.

The country signed a deal with a United Arab Emirates company that will boost its coal-fired power capacity 67 percent.

Turkey's biggest gas supplier is Gazprom, which accounts for about half of imports, but it is long-term supply from Iran that could pose the biggest concerns.

Turkey might not be able to continue to ignore further tightening of international sanctions aimed at curtailing the Iran's nuclear program.

Ankara signed a \$12 billion deal with TAQA to mine lignite coal and by 2020 build new power plants capable of generating up to 8,000 megawatts.

"The TAQA deal is first and foremost motivated by the need to refurbish and build new coal-fired power plants, but the move to develop coal stems from a general concern that Turkey is hugely dependent on others for its energy needs," said Andrew Neff, a senior analyst for IHS Energy.

The European Association for Coal and Lignite, or Euracoal, said Turkey imports more than 70 percent of its primary energy needs. Most of the 30 million tons of hard coal it annually uses is supplied by Russia, Colombia, the United States and South Africa, according to Euracoal.

Natural gas imports, mainly from Russia, Iran, and Azerbaijan, meet about 45 percent of Turkey's demand for heat and power, according to the IEA, a dependency that comes with frequent price disputes with suppliers.

In another sign that Turkey's policymakers are keen to reduce dependence on gas imports, the government said in December that it would not take part in Russia's South Stream gas pipeline project.

The pipeline was designed to pump more than 60 billion cubic meters, almost twice Turkey's annual gas demand, via the Black Sea into southern Europe. High gas prices, which make gas-fired power generation less attractive than coal, as well as concerns over gas-import dependence, have been shared by several European countries.

Consuming countries complain that Gazprom charges too much for its gas and that its long-term supply contracts are too inflexible. The European Union opened an antitrust case against Gazprom last year, sparking a political feud with Moscow.

In Germany, cheap coal prices have led to strong growth in coal-fired power generation.

In Poland, which relies heavily on Russian gas supplies but is also a big user of the more-polluting lignite that Turkey mines, the government is eyeing potentially large domestic supplies of unconventional natural gas sources, such as shale gas.

Ukraine said last month that it had secured a \$3.6 billion loan from China that will switch power plants from imported natural gas to gasified coal.

Despite Turkey's long-term aim of becoming less reliant on imports, its demand for Russian gas in the short term will likely rise to meet booming demand, Neff said.

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