



Nord Stream 2 Pipeline

Why in News

Recently, the **US has approved the Germany-Russia Nord Stream 2 Pipeline (NS2P) project** - which significantly increases Europe's energy dependence on Russia.

- The **US had previously imposed sanctions** to prevent the completion of this gas pipeline between Russia and Germany.

Nord Stream pipelines from Russia



Key Points

- **About:**
 - This is a 1,200-km pipeline that runs **from Ust-Luga in Russia to Greifswald in Germany through the Baltic Sea**. It will carry 55 billion cubic metres of gas per year.
 - It was decided to build this pipeline in 2015.
 - **Nord stream 1 system** is already completed and together with NS2P, it will supply 110

billion cubic metre of gas a year to Germany.

▪ **Implications:**

◦ **EU's Dependence on Russia:**

- It will increase Europe's dependence on Russia for Natural Gas, currently [EU \(European Union\)](#) countries already rely on Russia for 40% of their gas needs.

◦ **Bypassing Ukraine:**

- There is an existing pipeline between Russia and Europe through Ukraine, once the NS2P project is completed **it would bypass Ukraine and deprive it of a significant transit fee of around \$ 3 billion per year.**

◦ **Geopolitical win for Russia:**

- It can be a **generational geopolitical win** for Russia and a catastrophe for the United States and its allies.

▪ **US' New Stand:**

◦ **Softer Option to threaten Russia:**

- The US has gone with the softer option of threatening Russia with consequences should it use the pipeline to harm Ukraine or other countries in eastern Europe.
- On one hand, it wants **access to Russia's hydrocarbons**, but on the other **distrusts Russian President Vladimir Putin**, who it holds responsible for a series of affronts, such as the [Crimean conflict](#) of 2014 and the alleged interference in the US elections of 2016 and 2020.

◦ **Germany's own Act against Russia:**

- The US-Germany deal lays out that Germany by itself will put sanctions and limit Russian exports, if 'Russia attempts to use the energy as a weapon and commit further aggressive acts against Ukraine'.

◦ **Green Fund for Ukraine:**

- Germany has to "utilise all available leverage" to extend by 10 years the current Russia-Ukraine gas transit agreement.
- **Germany also has to contribute at least \$175 million to a new \$1 billion "Green Fund for Ukraine"** that aims at improving the country's energy independence.

[Source: IE](#)

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