

28 September 2022

Contents

Not so fast: Europe turns to Azerbaijan in hope of replacing Russian volumes

Publication date: 11 August 2022

Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



Not so fast: Europe turns to Azerbaijan in hope of replacing Russian volumes

On 18 July, European Commission president Ursula von der Leyen and Azerbaijan's president Ilham Aliyev met in Baku to sign a Memorandum of Understanding (MoU) that centres on doubling Azeri exports of gas to the EU by "at least" 20 Bcm/year by 2027. The MoU foresees the delivery of these additional volumes through the Southern Gas Corridor (SGC) and forms part of the EU's plan for reducing its heavy dependence on Russia for pipeline gas.

The EU and Azerbaijan also agreed to "accelerate the development and deployment of renewable energy generation and transmission capacity" in Azerbaijan. The country will eventually evolve from a fossil fuel supplier to a renewable energy partner, von der Leyen said: "[Azerbaijan] are a crucial energy partner for us and always have been reliable not only for security of supply, but also in our efforts to become climate-neutral."

But beyond the optimistic statements made by von der Leyen and her entourage in July, the MoU lacks substance. No plans or detailed strategies have been mentioned so far on how the increase in Azeri gas exports to the EU and renewable ambitions will be realised. According to industry sources, it is difficult to envisage how Azerbaijan can supply an extra 10 Bcm/year of gas to Europe within the next five years.

**Consulting**

+44 (0) 20 7332 9900
consult@gasstrategies.com

**Alphatania Training**

+44 (0) 20 7332 9910
training@gasstrategies.com

**Information Services**

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com