

Russia stops delivery of gas to Europe via Poland

Russia continues to tighten the gas noose around the neck of the European Union, stopping again its key export gas pipeline.

Starting Friday, December 17, the Russian gas conglomerate Gazprom will stop gas delivery through the Yamal-Europe pipeline, which supplies consumers in Germany through Belarus and Poland.

The auction held on Thursday for the gas delivery for a day ahead ended in vain: Gazprom refused to book any transit capacity, Interfax reports.

During the previous two weeks, Yamal-Europe pipeline worked at a third of its capacity, delivering 31 million cubic meters per day. And in October Gazprom stopped the pipeline completely, switching it in reverse mode for four consecutive days.

Gazprom made the decision to turn off the valve again on the Belarusian route after the Federal Network Agency of Germany announced that the approval of Nord Stream 2 is unlikely to be made in the next six months, and Foreign Minister Annalena Baerbock said that the project was unsuitable for certification.

The gas market responded nervously to a new reduction in supplies from Russia, which are already a quarter below the winter norm, and by the end of the year may reach the minimum in 6 years (144 billion cubic meters).

The price of January gas futures on the TTF hub and on the ICE exchange jumped to \$ 1714 per thousand cubic meters (145.98 euros per megawatt-hour), but by the close of trading it retreated to \$ 1608.

Following gas, electricity is rapidly becoming more expensive: market prices for the year ahead have surpassed historical highs in Germany, France and the UK.

“Gas is becoming more expensive due to low reserves in storage facilities and tensions in relations with Russia. And given the fact that the cost of CO2 emission quotas has soared to historical records, Europe in the coming months can expect a full-fledged industrial downturn”, warns Francisco Blanche, a strategist at BofA

Europe for commodity and derivatives markets.

The decision of the German regulator to postpone the certification of Nord Stream 2 for six months is political, said Vladimir Chizhov, Russia's permanent representative to the EU. "It's a mixture of foreign policy, I would say general Western and domestic German," he said.

According to Chizhov, the regulator took a wait-and-see approach during the transition of the government in Germany. "But now the coalition has been formed, and its approaches to Nord Stream 2 are clear," said Chizhov.

Source: <http://uawire.org/russia-stops-delivery-of-gas-to-europe-via-poland>

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