



## **Global Game-Changers in Energy: Implications for Eurasia**

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### **World energy game-changers**

- Changing dynamics, **game**, players and rules
- **New demand map**, changes in energy mix, and unconventional supply sources
- **Shift** in trading and investment patterns
- Volatility in **prices**, technological breakthroughs
- Environment, efficiency and **climate change**
- Is energy security a **national security** matter?
- Heightened geopolitical, cyber and other **risks**

## Complex dynamics in Eurasia

- No longer a "**terra incognita**" but out of focus on the international radar now
- Substantial deposits of **rich natural resources**
- The prizes of the **new Great Game** - Pipelines, tanker routes, petroleum consortiums and PSCs
- **East of Baku** – it is China and Russia to play
- SCO, Eurasia Union, BSEC, ECO, **China Silk Road Fund**
- **Sanctions against Russia** hurt Central Asia
- Intra-Central Asian conflicts, political **succession** risk

## Russia-Europe

- The European natural gas market in a state of deep and protracted depression
- Russian gas plays a significant role in EU gas market (30%) while EU provides +40% of Russian gas revenues.
- A break-off would benefit almost everyone (such as the US, China, the Gulf States), except Russia and EU.
- Facing lower prices and economic/financial sanctions, Russia has no investment capabilities to maintain a Europe-oriented power margin.

## “Turkish Stream”: Tactical or strategic



## Russia to China



## Central Asia and China...

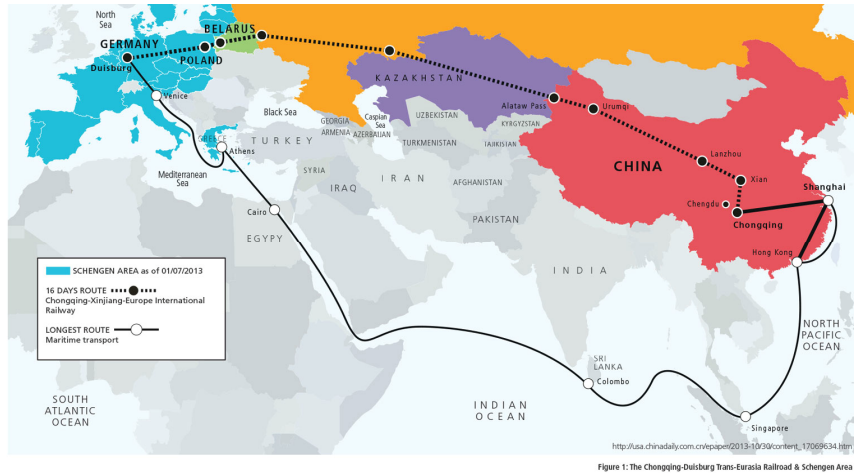
- “**Pan-Asian global energy bridge**” from Persian Gulf to China
- Kazakhstan, Turkmenistan and Uzbekistan in **China’s energy security nexus**
- China to reduce dependence on ME oil, avoid “**Malacca Dilemma**” and address **Xinjiang’s unrest**
- Kazakhstan and Uzbekistan’s **uranium deposits** for China’s 30 new nuclear power plants



## A showdown between Moscow and Beijing over Central Asia?



## China-Europe “Silk Railway” and “Maritime Route”



## Some of Eurasian energy projects

- **China's** energy “Silk Road” over Central Asia
- \$45 bn **Southern Gas Corridor** by 2018
- **Russia's** “Turkish Stream” project
- **Iraq's** Kurdish gas from early 2018
- **Iran** is back in the oil and gas game
- **East Mediterranean's** geopolitics and gas
- **Turkmen** gas to the Caspian and Afghanistan
- **EU's Energy Union**
- **Turkey** as an energy bridge

## Key messages

- The game, players and rules have changed.
- Energy security of Eurasia from **Lisbon to Shanghai requires** new approaches or serious adaptation of the old ones
- A potential **security and economic crisis** in the making
- Volatility not only in **prices** but also in social security
- More western attention to balance Beijing and Moscow
- Keep investors happy as there are many other new **attractive destinations**
- Develop win-win propositions for all in order to **reduce geopolitical tensions**

## For Further Details

Please check:

- [www.bosphorusenergyclub.org](http://www.bosphorusenergyclub.org)
- [www.globalresourcespartnership](http://www.globalresourcespartnership)
- [www.mehmetogutcu.net](http://www.mehmetogutcu.net)

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