

# China's Perspective on Russian Energy Supplies to Northeast Asia

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## **MAIN FINDINGS & POLICY IMPLICATIONS**

- To supply energy to Northeast Asia is a settled and unchangeable policy of Russia.
- China plays an important role in Russia's energy supplies to Northeast Asia.
- Russia's energy supplies to Northeast Asia has been facing great difficulty and processed slowly.
- In order to find enough recoverable reserves in the Eastern Siberian and the Far East, the expansion of exploration in this region is in dire need.
- Russia will strive to realize the aim of exporting 30% of its total export to Northeast Asia.
- To promote oil and gas cooperation with Russia, Northeast Asian countries will have to be patient and get ready for tough efforts and certain concessions.

## **To supply energy to Northeast Asia is a settled and unchangeable policy of Russia.**

- As for developing Eastern Siberian and Far East as an alternative of energy supplies for Western Siberian, Russia needs to develop energy cooperation with China, Japan and Korea.
- To develop the economy in Eastern Siberian and Far East and revive Russia, Russia needs to carry out energy cooperation with China, Japan and Korea.
- To reduce the dependency on European markets and reinforce national energy security, Russia needs to find new partners in Northeast Asia.

## **China plays an important role in Russia's energy supplies to Northeast Asia.**

- The export to Northeast Asia will mainly come from two regions. One is the continent of Eastern Siberian and Far East, the other is Sakhalin Island.
- China, Japan and Korea have started or are preparing to invest in Eastern Siberian and Far East.
- One oil pipeline and two natural gas pipelines are under construction or planning.
- Among the Northeast Asian countries, China is the biggest buyer for Russia.

# **Russia's energy supplies to Northeast Asia has been facing great difficulty and processed slowly.**

As for Russia,

- Settled or almost settled projects are cancelled.
- Decided projects are postponed, and it is hard to be done.

There are several reasons:

- Russia insists that its interests should be maximized during the negotiation, especially when it is related to oil and gas prices.
- The oil and gas reserves in Eastern Siberian and Far East are still not clear.
- Russia lays strict restriction on foreign investments' entering into its oil and gas fields.
- In Russia, the relations between the central and local authorities as well as the corporation are still facing some uncertainty.

# CONCLUSION

- The supplies of oil and gas to Northeast Asia are Russia's strategic choice and will not be changed, but the process will remain slow.
- To promote the oil and gas cooperation with Russia, Northeast Asian countries will have to be patient and get ready for tough efforts and certain concessions.