China's Perspective on Russian Energy Supplies to Northeast Asia

Xia Yishan
Su Xiaohui
China Centre for Energy Strategy Studies

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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.