

Europe Cannot and Should Not Reject Russian Gas, Total Chief Says

By [The Moscow Times](#)

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Total CEO Christophe de Margerie

PARIS — Europe should stop thinking about cutting its dependence on Russian gas and focus instead on making those deliveries safer, including options to bypass Ukraine, the head of French oil major Total said.

In his strongest backing for Russia and its energy policies so far amid the conflict in Ukraine, Christophe de Margerie said Europe could see a repeat of a big gas supply crisis this winter.

"We will have a problem this winter if there is a cut in supplies and if it is cold — that is obvious," De Margerie said in an interview.

"There are plenty of solutions that are being suggested to avoid the Ukrainian problem, including by Russia," he said, citing as an example the Nord Stream pipeline built in 2011 under the Baltic Sea to Germany, which bypassed Ukraine.

"[Nord Stream] was built to avoid passing through Ukraine, not to avoid Russian gas," he said.

"Can we live without Russian gas in Europe? The answer is no. Are there any reasons to live without it? I think — and I am not defending the interests of Total in Russia — it is a no."

De Margerie dismissed a European Commission proposal for European Union member states to pool their bargaining power to negotiate gas contracts with Russia and prevent Moscow playing countries off against each other with different prices.

"Should there be a central purchasing body? I don't think so," he said. "Today Russian gas prices are in line with international market prices. They have even cut their prices to keep customers."

Several chief executives of energy giants, including BP and Royal Dutch Shell, have defended a long-term commitment to Russia despite Western sanctions to punish Moscow for annexing Crimea and destabilization in eastern Ukraine.

Total is one of the majors most exposed to Russia, where its output will double to represent more than a tenth of its global portfolio by 2020.

Soon after the Ukrainian conflict erupted, the European Commission put Russia's second gas pipeline project to bypass Ukraine, South Stream, on hold, saying it violates EU law.

Russia has halted gas deliveries to Ukraine in a payments dispute but European gas prices have not reacted sharply so far because of high stocks and low summer demand.

Kiev says it wants to renegotiate its gas pricing deal with Moscow, which it says is priced unfairly and higher than for most European consumers.

De Margerie said tensions between the West and Russia were pushing Moscow closer to China as illustrated by a \$400 billion deal to supply Beijing with gas clinched in May.

"You hear people say we have got to protect ourselves from Ukraine and then they talk about Russia. This is not the same thing. ... Are we going to build a new Berlin Wall?"

"Russia is a partner and we should not waste time protecting ourselves from a neighbor. ... What we are looking to do is not to be too dependent on any country, no matter which. Not from Russia, which has saved us on numerous occasions."

Any deliberate reduction in imports from Russia would result in more expensive supplies from other producers which end users would not like, he added.

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