

South Stream Replacement Could Supply Southeast Europe

By The Moscow Times

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BUDAPEST — Russia has not given up on building a pipeline to supply natural gas to Southeast Europe despite the collapse of the South Stream project over European Union resistance, Russia's new ambassador to Hungary was quoted as saying.

Vladimir Sergeyev told Hungarian daily Magyar Hirlap in an interview published on Tuesday that a planned Turkish route could also serve Central and Eastern Europe, including Hungary, which gets most of the gas it uses from Russia.

"There is ... a chance that we supply the region and Hungary with gas with different focal points, even through connecting to the future Turkish pipeline," Sergeyev was quoted as saying.

President Vladimir Putin said Moscow would pursue a Turkish route to ferry its gas to Europe instead of the Black Sea route that would have been South Stream.

The scrapping of South Stream was a setback for Hungary, which has pursued closer ties with Moscow despite Western objections about its drift into the Kremlin's orbit amid the Ukraine conflict.

Sergeyev said South Stream had cost Russian gas giant Gazprom \$4.6 billion, and accused the European Union of retroactive legislation designed to kill off the project.

The EU has said the project violated the rules of its so-called third energy package, which mandates the separation of pipeline owners and gas suppliers.

"When we signed the bilateral contracts necessary for the pipeline construction, the third energy package of Brussels was nowhere to be found yet," Sergeyev said.

He added the South Stream fiasco had no bearing on the planned expansion of Hungary's Paks nuclear power plant.

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