

TurkStream Pipeline Risks Delays If Russia, Turkey Fail to Sign Agreement

By The Moscow Times

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Russian Energy Minister Alexander Novak said Wednesday there was a risk construction of an underwater pipeline to Turkey could be delayed if a related intergovernmental agreement was not signed soon, the Interfax news agency reported.

Russia's Gazprom is yet to start laying pipes beneath the Black Sea for the first line of the TurkStream pipeline, which was expected to start operations by 2017 and bring 15.75 billion cubic meters (bcm) to Turkey annually.

"If construction does not start, it is obvious that the schedule is moving," Novak was quoted as saying.

TurkStream is supposed to bring a total of 63 bcm of gas per year to Turkey and to southern Europe via Greece by 2020 — a project aimed at bypassing Ukraine as a key transit country for Russian gas flowing to Europe.

Earlier in July, Gazprom canceled a contract with Italy's Saipem to build a link to Turkey but Russian officials have said Moscow was continuing to work on the project.

On Tuesday, a Russian Energy Ministry official said Moscow had offered to sign an intergovernmental agreement on the first line only and Ankara was yet to reply.

Turkey wanted a bigger gas discount before agreeing to sign an intergovernmental deal, sources previously told Reuters.

Separately, Novak said on Wednesday Moscow had no plans to discuss oil production cuts with OPEC during Secretary-General Abdullah al-Badri's visit to Moscow on Thursday.

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