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Gazprom Moves to Complete Pochinki-Anapa Pipeline

The construction had been shelved in 2015.

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More than 500 kilometers of the pipeline have been built so far. **Patrick Pleul / dpa / TASS**

Russia's state-owned gas giant Gazprom will resume the construction of its Southern Corridor Pochinki-Anapa pipeline four years after putting the project on hold, Interfax reported on Friday.

The Southern Corridor project aimed to transport Russian gas through the Black Sea via the South Stream pipeline, onto the Balkans and finally ending in Austria. But the South Stream pipeline was canceled in 2014 after Russia’s annexation of Crimea led to European sanctions on the country.

The Pochinki-Anapa pipeline constitutes the eastern route of the Southern Corridor project. It was shelved in 2015 after the South Stream pipeline’s cancellation and its subsequent replacement by Turkish Stream, which halved the project’s capacity from 63 billion cubic meters to 31.5 billion cubic meters.

The Southern Corridor consists of two segments: Pisarevka-Anapa (472 kilometers), which has already been built; and Pochinki-Anapa (1,625 kilometers), more than 500 kilometers of which has been built so far.

It's possible that Gazprom's decision to go ahead with the construction came from a desire to create a reserve for the future, former Fitch director Dmitry Marinchenko and Raiffeisenbank analyst Andrey Polischuk told the Vedomosti business daily.

The total cost of the Southern Corridor has been estimated at 715 billion rubles ($22.4 billion) based on 2012 prices, Vedomosti reported.

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