

## Statement

# Why Europe Needs Nord Stream 2

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## **Nord Stream 2 – essential for security of energy supply in Germany and Europe**

As Europe's domestic gas production is projected to halve in the coming years, additional gas imports will be needed to safeguard security of supply. EU experts estimate the supply gap at around 120 billion cubic metres (bcm). Gas is becoming an increasingly important part of the energy mix in Germany and other EU countries.

With a design capacity of up to 55 bcm, Nord Stream 2 can help cover part of the future supply gap. To meet the remaining demand, European buyers will need to turn to the global market for liquid natural gas (LNG) and thereby increasingly rely on US shale gas.

Gas consumption in Germany has increased again in recent years as this fuel is being increasingly used in power plants, replacing harmful coal-based power generation. Accordingly, the existing Nord Stream Pipeline reached a utilisation rate of over 90 percent in 2017. Germany needs secure and affordable imports in order to supply industries and households with about 100 bcm of natural gas. German gas importers spend around 20 billion euros a year on imports and are directly affected by developments on the gas markets. An additional pipeline such as Nord Stream 2 can lead to savings of up to 10 percent and thus play a decisive role in securing the economic well-being of entire industry sectors and their workers. In a ranking of European countries, Germany's chemical industry alone would come in as Europe's tenth biggest gas consumer.

## **Nord Stream 2 – a privately-funded stimulus programme for Europe**

The Nord Stream 2 project, which is financed by six international energy companies, will provide a significant economic stimulus for many sectors of the European economy. More than 670 companies from 23 countries are involved in the project's implementation, for instance in steelwork, engineering, construction, pipelay, logistics, environmental surveys, monitoring and other services. As a result of these investments, Germany alone will benefit from economic effects to the tune of over 2 billion euros and 13,000 full-time equivalent jobs. This positive effect will increase even further during the construction phase.

As part of the permitting process according to German legislation, Nord Stream 2 AG made its extensive permit application documentation available to the public in the spring of 2017. These documents provide detailed information showing that the pipeline is the most effective way both economically and ecologically to transport gas from the world's largest reserves to European consumers.



### **Nord Stream 2 – key for achieving climate targets**

In order to reach European climate targets, the share of natural gas in the energy mix must be increased, at the same time reducing coal-based power generation. Nord Stream 2 alone, if the gas transported through the pipeline were used to replace coal, could reduce annual emissions in the power sector by 160 million tonnes of CO<sub>2</sub> – approximately equal to the emissions of 30 million cars. If natural gas is to play this role, it needs to reach Europe in the most environmentally friendly way possible. Nord Stream 2 is the most direct connection to the world's biggest gas reserves and it causes significantly lower greenhouse gas emissions in comparison to alternative LNG supplies. The transport of the equivalent volume of LNG would result in additional emissions of 17.1 to 44.6 million tonnes of CO<sub>2</sub> depending on the distance covered.

### **Nord Stream 2 – the transport route with the lowest environmental impact**

From an environmental point of view, offshore gas pipelines are the most effective way to transport natural gas. They can be built significantly faster and with fewer environmental effects than onshore pipelines.

The environmental and socio-economic monitoring of Nord Stream shows that the construction of the existing Nord Stream Pipeline had no unanticipated environmental effects on the Baltic Sea. Moreover, a positive development in the regeneration of the ecosystem after the construction was confirmed. All monitoring results show that any environmental effects caused by construction activities were minor, limited locally and predominantly short-term.



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### **About Nord Stream 2**

Nord Stream 2 is a planned pipeline through the Baltic Sea, which will transport natural gas over 1,200 km from the world's largest gas reserves in Russia via the most efficient route to consumers in Europe. Nord Stream 2 will largely follow the route and design of the successful Nord Stream pipeline. With Europe's domestic gas production projected to halve in the next 20 years, Nord Stream 2's twin pipeline system will help Europe to meet its future gas import needs, with the capacity to transport 55 billion cubic metres of gas per year, enough to supply 26 million European households. This secure supply of natural gas with its low CO<sub>2</sub> emissions will also contribute to Europe's objective to have a more climate-friendly energy mix with gas substituting for coal in power generation and providing back-up for intermittent renewable sources of energy such as wind and solar power.

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