

Twelve Myths About Nord Stream 2

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One can rightly be worried about (the future of) democracy, when an increasing number of politicians and media treat the truth as relative – “what I believe should be true is true, because I want it to be true.” In Sweden, we believe that such distortions of facts mostly are spread abroad. But over the past week, we have had a perfect domestic example: the on-going debate about Nord Stream 2. The ones who seem most certain, are the ones who are most ignorant. For those who seek facts, you’ll find a couple listed below:

1. Nord Stream 2 is not needed, because Nord Stream only operates at 50%.

During the first half of 2016, Nord Stream’s average utilisation rate reached 80%.

2. Nord Stream 2 is not needed as we want to reduce our dependence on fossil fuels.

Gas is the least polluting fossil fuel, provided that the infrastructure for its transport is well maintained. An energy supply based on renewables such as solar and wind needs to be complemented by energy sources that can be produced when it is dark and the wind does not blow. Gas-powered plants are cheap to build, operate and shut off at short notice.

3. Nord Stream 2 is not needed as the EU will diversify its energy sources.

Over the next decade, the EU’s domestic gas production will drop by 120 bcm/year as North Sea gas sources run out. Nord Stream 2 will be able to deliver 55 bcm/year. The EU will need to import gas from many other sources than Nord Stream 2.

4. The EU can and will decide whether Nord Stream 2 will be built.

Nord Stream 2 is a fully commercial project, not financed by any public money. The use of the seabed falls outside the EU’s sphere of influence. Permits to build pipelines are granted by national authorities: in Sweden, this is done in accordance with the Continental Shelf Act, which is based on a UN treaty from 1994 signed by 155 countries.

5. We cannot rent out a port on Gotland to the Russians.

No one has ever proposed this. Region Gotland intends to sign a contract with the Swiss company Nord Stream 2 regarding the use of one of three piers in the port of Slite (with the coastguard as neighbour). Nord Stream 2, in turn, intends to subcontract the necessary work to the Dutch company Wasco. The work will primarily be carried out by local employees. Wasco’s own personnel come from the Netherlands and Malaysia. Wasco has no Russian employees.

6. The pipes can be equipped with eavesdropping devices.

The monitoring of the pipe laying is carried out by the Swedish coast guard, which has the right to make unannounced visits on-board the pipe laying vessels. And no one has yet described how such eavesdropping technically would be carried out. It’s a physical fact that radio signals travel at much slower speed in water, radically diminishing data volumes. If a foreign power would like to track vessel traffic in the Baltic Sea, there are considerably cheaper and more efficient methods at hand. If someone is specifically concerned by this scenario, wouldn’t it be logical to see as many pipes as possible transiting through Swedish ports in order to be able to monitor what is going on, rather than let them be handled in Finnish, German and Russian ports?

7. Russia can use the gas as blackmail.

The advantage of free trade is that there are two dependent parties – one party needing the goods and the other needing the money. Gas revenues constitutes a significant amount of the income of the Russian state.

8. The US thinks “it’s a bad idea for Europe” to allow Nord Stream 2.

This is true, but hardly surprising. The US prepares to export its own gas. In their hearts, all corporations consider competition as a poor idea.

9. Nord Stream 2 aims to circumvent Ukraine as a transit country.

When running at full capacity, gas transports through Nord Stream will be a third cheaper than transports through Ukraine – even before adding the (additional) customs duties announced by Ukraine. If the EU wants to subsidise the Ukrainian regime, why conceal it by forcing the European energy consumers to pay a higher price than necessary for their energy? Shouldn’t such subsidies be transparent, and democratically decided?

10. Sweden doesn’t benefit from the gas

Gas accounts for about 4% of Sweden’s energy use, primarily through a gas pipeline coming from Denmark then running through the counties of Scania and Halland, heading north to parts of Bohuslän. This gas is delivered by Denmark’s DONG, which in turn obtains some of its gas from Nord Stream.

11. To trade with Russia favours a regime that we dislike.

Sweden imports more than half of its crude oil from Russia. Why is cheap Russian oil OK? Because we use it, while cheap Russian gas is harmful, because we barely use it?

12. The entire Nord Stream 2 project will be discontinued if there is no access to the port of Slite.

To use the port of Slite for pipe storage is optimal from a logistics point of view. If this port cannot be used, another port will be used for pipe storage. It may be a bit more expensive and the environmental impact will be more significant as it will lead to longer ship transports. It is always outrageous to waste resources. But in a project with a total budget of about 8 billion euros (80 billion Swedish kroner), this additional cost is insignificant.

Nord Stream 2 obviously has no expertise to evaluate the security policy situation. But given that its opponents’ argumentation to such a large extent is based on alleged facts, which quite simply are not correct, it would seem natural that we also were invited to the discussion organised by the Foreign Ministry and Ministry of Defence with the concerned municipalities on 13 December 2016.

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