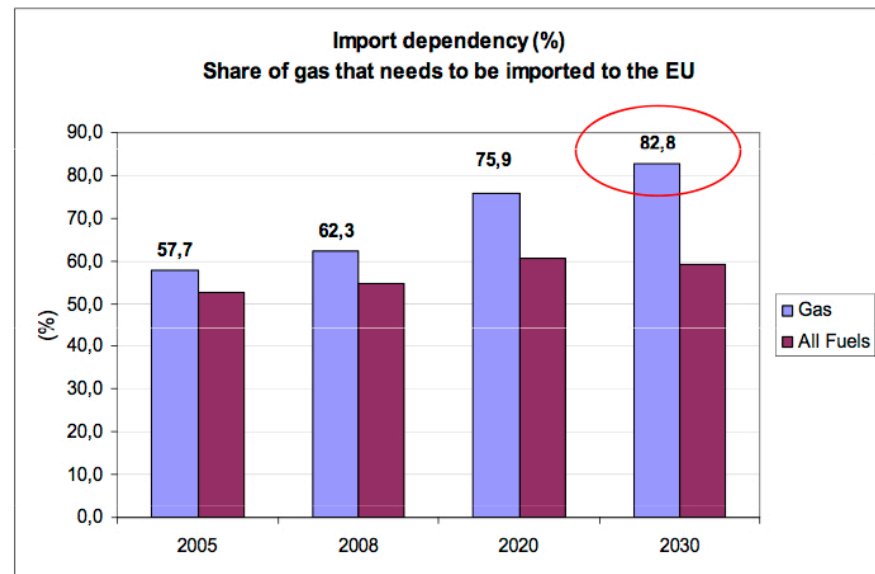
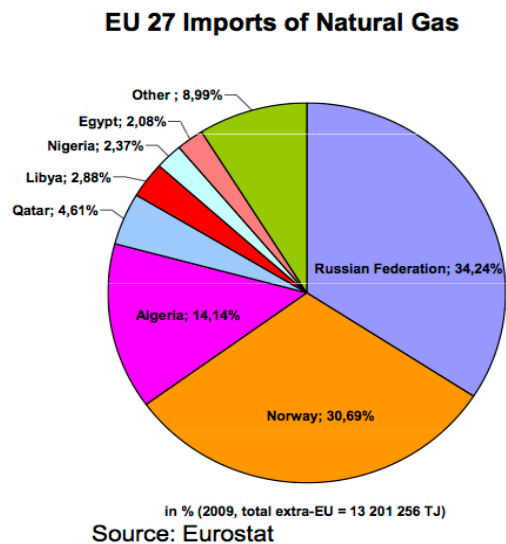


*How South Stream effect  
on the economy of  
Southern Europe*

Antonio Erias Rey

# The role of gas in the European energy mix

- Gas accounts for 24% of EU energy mix, and 23% of electricity generation.
- High level of external dependence.
- Annual EU consumption 500 bcm.
- Total Gas imports 370 bcm.
- Southern Eastern Europe remains vulnerable and highly dependent on their traditional import routes

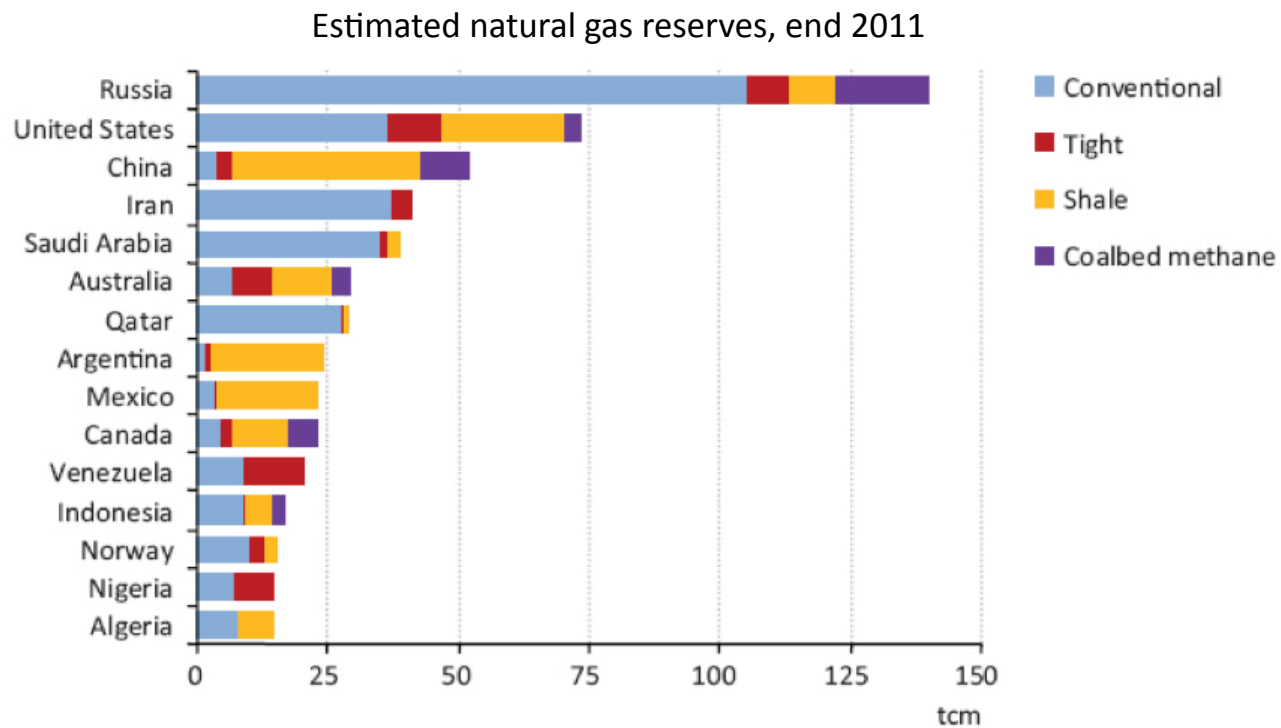


Source: PRIMES 2009 baseline scenario

Europe's natural gas consumption is projected to grow while its own domestic natural gas production continues to decline. If trends continue as projected and no measures are taken, Europe will have to face difficult situations.

# Natural gas reserves, linking up supply

Russia holds the largest natural gas reserves in the world, and is the largest producer and exporter of dry natural gas.



Source: IEA analysis.

Russia is Europe's most important natural gas supplier, accounting for 36% of Europe's natural gas imports

# South Stream Gas Pipeline Project I

## South Stream Gas Pipeline Project

The South Stream gas pipeline will ensure a direct connection between hydrocarbons suppliers and consumers

### Project information:

- Number of gas pipeline strings: 4
- 63 bcm of natural gas per year
- Over 900 km under the surface of the Black Sea
- Design life: Minimum 50 years
- Maximum depth: 2,250 meters
- Length of each pipe segment: 12 meters



It aims to provide the EU with a secure, reliable and sustainable energy supply at a competitive price

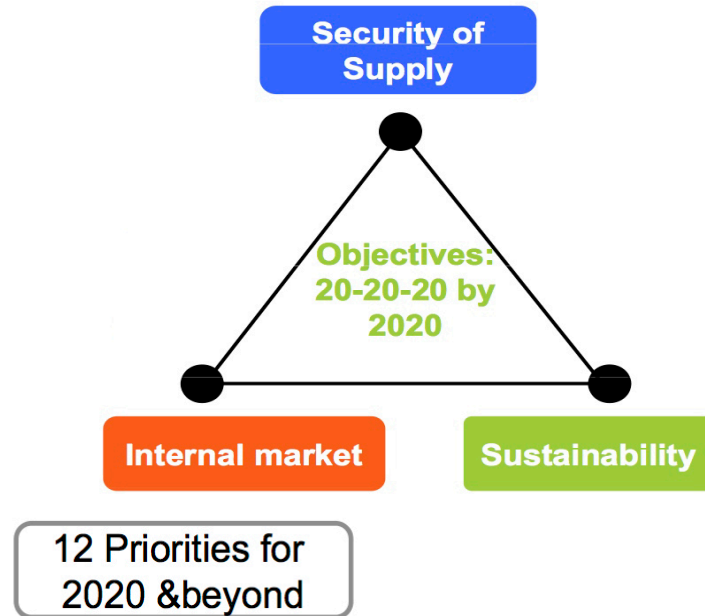
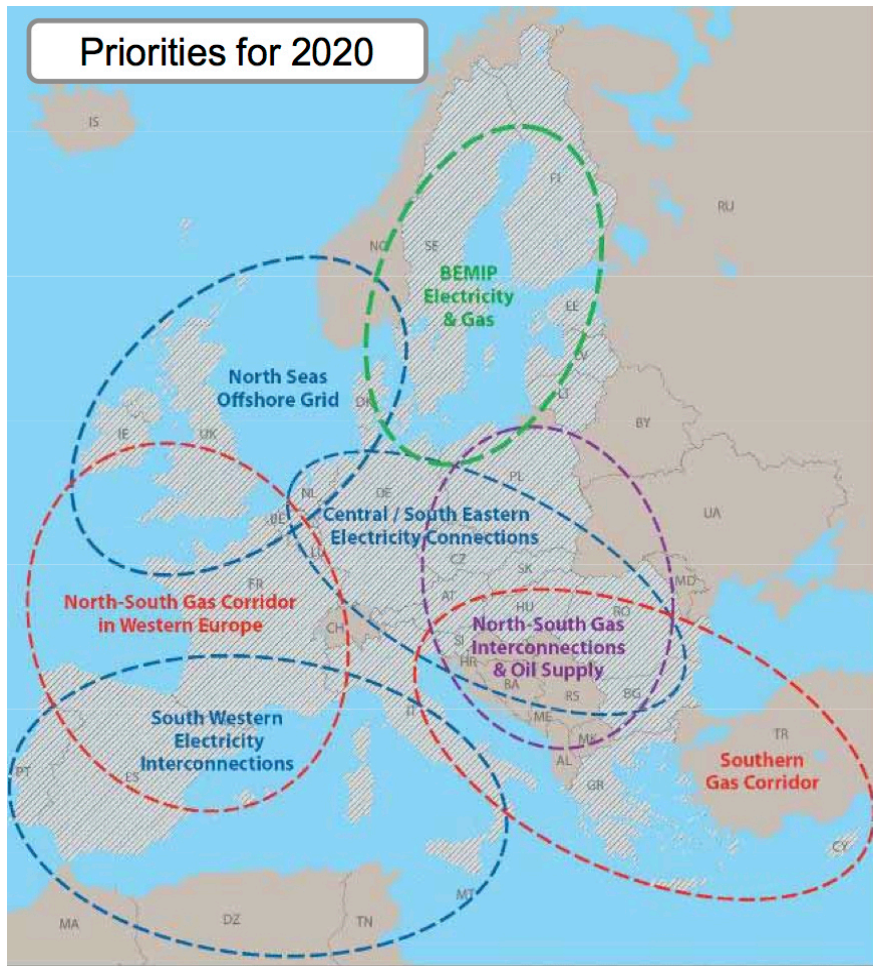
# South Stream Gas Pipeline Project II

The South Stream Pipeline will provide benefits for the countries involved in this project:

- Sustainable, diversified gas supplies.
- Create new industrial infrastructure.
- Attract new considerable foreign investments into local economies.
- Create new jobs.
- Bring new opportunities to local business.
- Raise the level of energy safety.
- Increase considerably involvement of participating countries into energy cooperation in Europe, as well as between EU and Russia.

**South Stream Gas Pipeline Project will be synonymous with  
new opportunities**

# European energy policy: Strategy 2020 and Roadmap 2050



- Gas
- Electricity
- Electricity and gas
- Oil and gas
- Smart Grids for Electricity in the EU

Contribution to an “efficient, competitive and low-emission economy”

# Some last considerations about the future...

- Shale gas...
- LNG... alternative to the pipeline?
- Economic crisis...
- Nabucco ... competition?