

Public Attitudes in Five Countries to Energy Issues and the South Stream Project

Bulgaria | Hungary | Italy | Serbia | Slovenia

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Contents

- Key findings
- Attitudes to energy sources and new energy developments
- Attitudes to South Stream
 - Overall support
 - Potential advantages and disadvantages
 - Trusted organisations
- Appendix: Methodology



Key findings

Key findings

- There is **strong support for natural gas**.
 - Stakeholders saw it as a vital part of the energy mix.
 - Amongst the public, it is more popular than coal, oil and nuclear in all five countries.
- There is also **considerable support for South Stream** amongst both stakeholders and the public.
 - 59% of the general public support South Stream.
 - Stakeholders in Slovenia, Italy and Serbia generally supported South Stream, although views in Hungary and Bulgaria were less positive.
- Despite support for South Stream, **trust in the Russian Government and Gazprom is low** amongst both audiences.
 - Amongst the public, net trust of the Russian Government is -18%, whilst net trust of Gazprom is -9%.

Key findings

- Across the countries surveyed, **58% of the general public think the advantages of South Stream outweigh the disadvantages.**
 - The most persuasive arguments in favour are financial ones.
 - Disadvantages include increased Russian influence and, amongst the public, the risk of corruption and safety concerns.
 - Stakeholders highlighted the importance of transparency in the negotiations, and in the terms of the final contracts.
 - Achieving transparency will increase confidence in the project.



Attitudes to energy sources and new energy developments

Public attitudes to energy sources

Public attitudes to energy developments

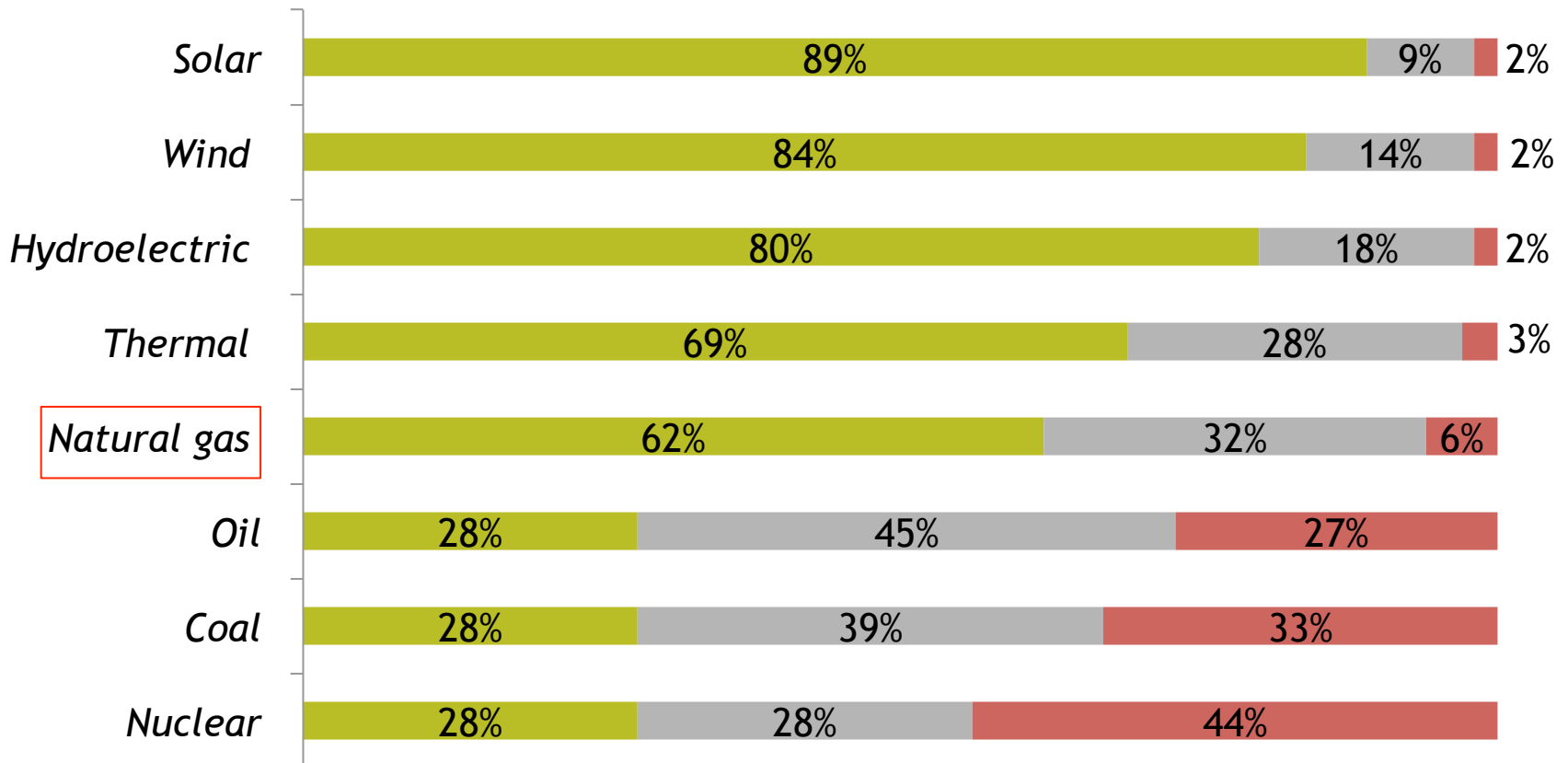
Stakeholder attitudes toward natural gas

Natural gas is more popular than nuclear, coal and oil across all five countries

- But it is less popular than renewables (wind, thermal, hydroelectric and solar).

% = 5-country average

■ Support/strongly support ■ Neither support nor oppose/don't know ■ Oppose/strongly oppose



Q. And, based on what you know now, how much do you support or oppose each of the following as a source of energy in [country]? [Base = All respondents (2,515)]

Stakeholders see gas playing an important part in the energy mix

Pros

Gas is cleaner than other fossil fuels.

There is a good global supply of gas.

Cons

There are concerns about relying on imports for gas supplies.

Although it is cleaner than other fossil fuels, gas is still polluting.

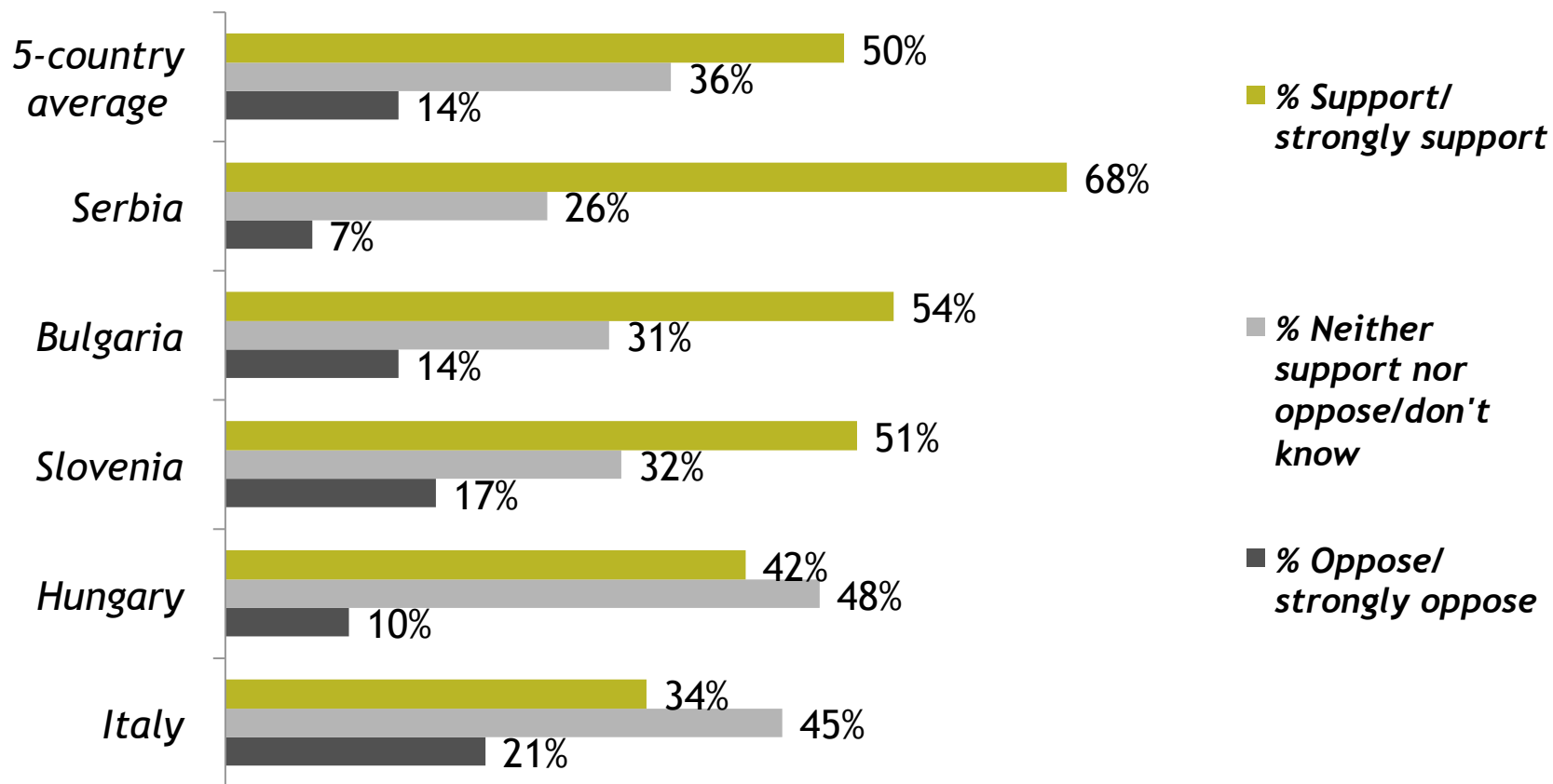
Gas should be a transition fuel, not a long-term solution.

“Natural gas is the energy source of the 21st century. The main reason is ecological. All thermal power plants produce huge pollution...Natural gas does not. It’s clean, and contains little sulphur.”

Serbian stakeholder

New pipelines transporting gas from Russia are supported by 50% of respondents

- There is more support than opposition for new pipes from Russia in all five countries.
- However, a substantial proportion of respondents (between a quarter and half) in all countries are undecided.



Q. How far do you support or oppose the following energy developments in [country]? [Base = All respondents (2,515) (Italy = 514; Serbia = 500; Bulgaria = 500; Slovenia = 500; Hungary = 501)]



Attitudes to South Stream

Overall support

Potential advantages and disadvantages

Trusted organisations

There is strong support for South Stream across the five countries through which it will pass

- 75% of respondents across the five countries are aware of South Stream.
- Supporters of the project outnumber opponents by twelve to one.
- However, 36% remain undecided.

5-country average:



■ Strongly support ■ Support ■ Neither support nor oppose/don't know ■ Oppose ■ Strongly oppose

Q. Overall, how supportive do you feel about the South Stream pipeline project in [country]? [Base = All respondents (2,515)]

Stakeholders were more mixed when considering support for South Stream

- On balance, most stakeholders in Slovenia, Serbia and Italy were supportive of South Stream.
- However, in Hungary several stakeholders were ambivalent, whilst those in Bulgaria were split.

Economic benefits and increased supply security were seen as important benefits of South Stream

- The major reason for support was the potential economic benefits.
 - Of these, transmission fees were seen by many stakeholders as the most important, as they are secure and will be on-going.
 - However, many stakeholders were doubtful about South Stream's capacity to generate long-term jobs.
 - There was disagreement about whether it will lower gas prices.
- Supply security was also an important consideration.
 - Stakeholders felt that South Stream will diversify supplies, and increase security.
 - Although some felt that it does not offer 'true' diversification, as Russia is already an important gas supplier.
 - Stakeholders in Hungary, Slovenia, Italy and Bulgaria singled out the avoidance of 'unstable' Ukraine as an important benefit.

"I support it, because it will bring Serbia many benefits. These include security of our gas supply, new jobs and it will boost the economy, and in particular the construction industry."

Serbian stakeholder

Increased Russian influence was identified as the major drawback of South Stream

- Slovenian, Italian and Bulgarian stakeholders identified increased reliance on Russia as a potential drawback of South Stream.
 - Many stakeholders saw Gazprom as an arm of the Russian state.
- In Italy and Slovenia there was concern about local opposition to the project, which stakeholders felt would need to be carefully handled.
- Almost all stakeholders agreed that the pipeline would be safe, and rejected any safety concerns.

“There is an overall concern, that doesn’t apply only to Italy but to Europe, that this infrastructure will contribute to reinforcing Russia’s dominant position as supplier of gas in Europe.”

Italian stakeholder

For many stakeholders, transparency in the negotiations and regarding the final contracts was crucial

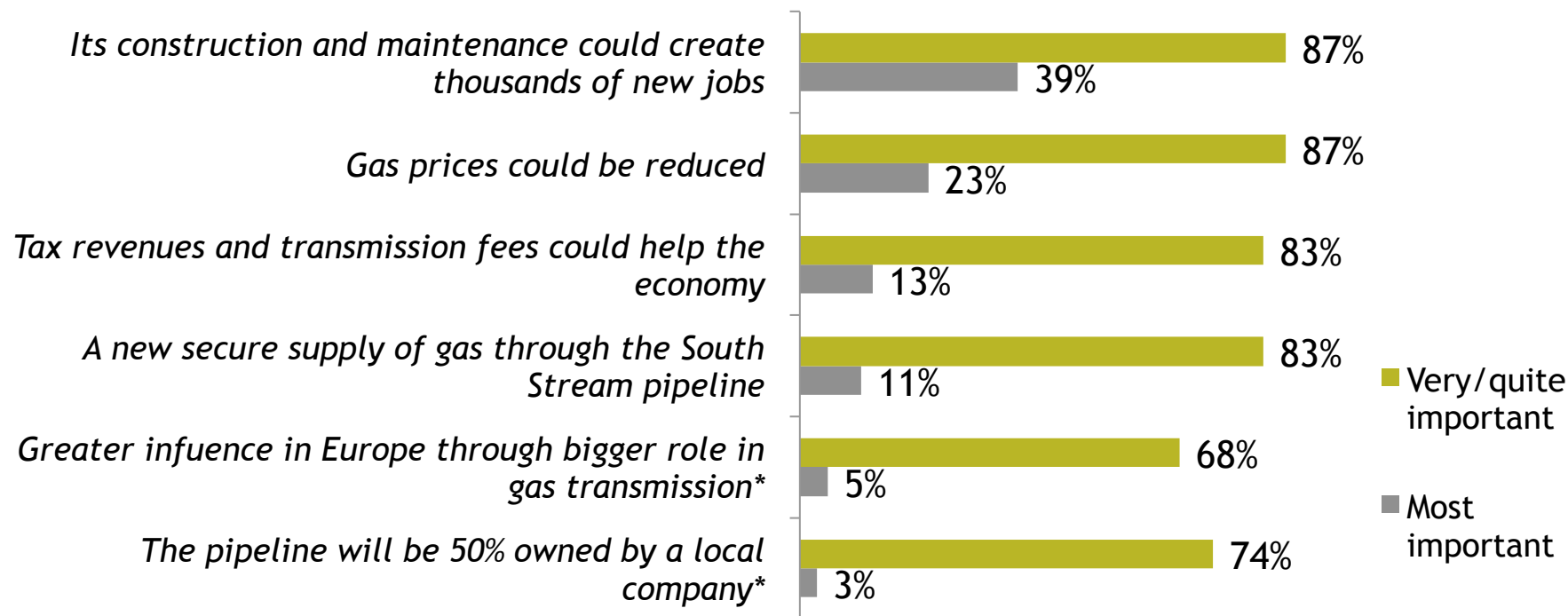
- Many stakeholders felt that whether or not South Stream benefits their country will depend on the details of the contract negotiations.
 - In particular, many of the anticipated economic benefits will depend on the precise terms that are signed.
- There were therefore calls for open and transparent negotiations, and for governments to do all that they can to get the best deal for their countries.

“Slovenia will need to negotiate appropriate terms for the project. We do not want to be just a transit country which rents its ground for the pipeline, but we should also get a sufficient amount of gas at a favourable price.”

Slovenian stakeholder

For the public, the most important potential benefits are the creation of new jobs and the reduction in gas prices

- Tax revenues and transmission fees and security of supply, are also seen as important benefits.
- Increased influence in Europe and involvement of local energy companies are less important.
- Results are largely consistent across all five countries.



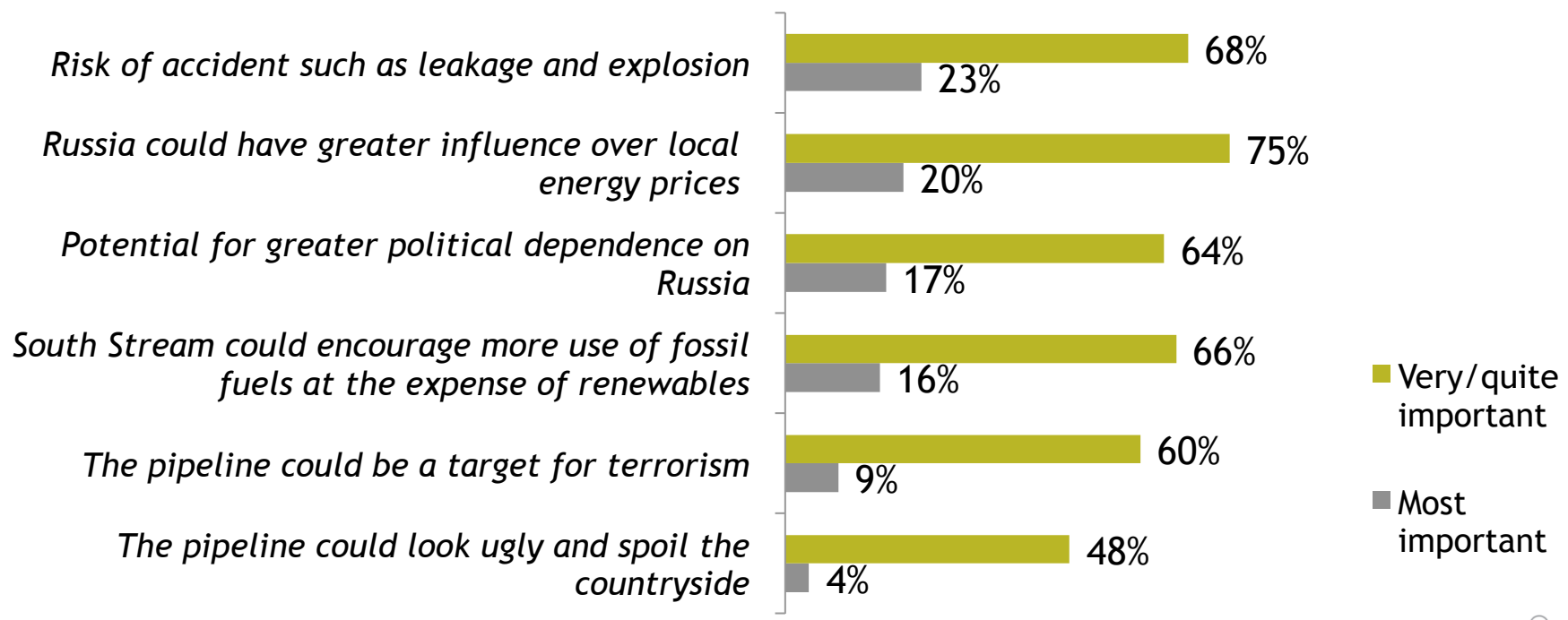
(* Figure excludes Italy)

Q. Below are some potential benefits associated with the South Stream project. Please say how important each one is. // Q. Which do you think is the most important? [Base = All respondents (2,515)]

The most important potential disadvantages are greater Russian influence over local energy prices and the risk of accidents

- Greater political dependence on Russia and encouraging the use of fossil fuels rather than renewables are also seen as important potential disadvantages.
- In Italy, dependence on transit countries is also seen as an important potential disadvantage (by 73%; and as the most important potential disadvantage by 16%).

Most important disadvantages across all five countries:

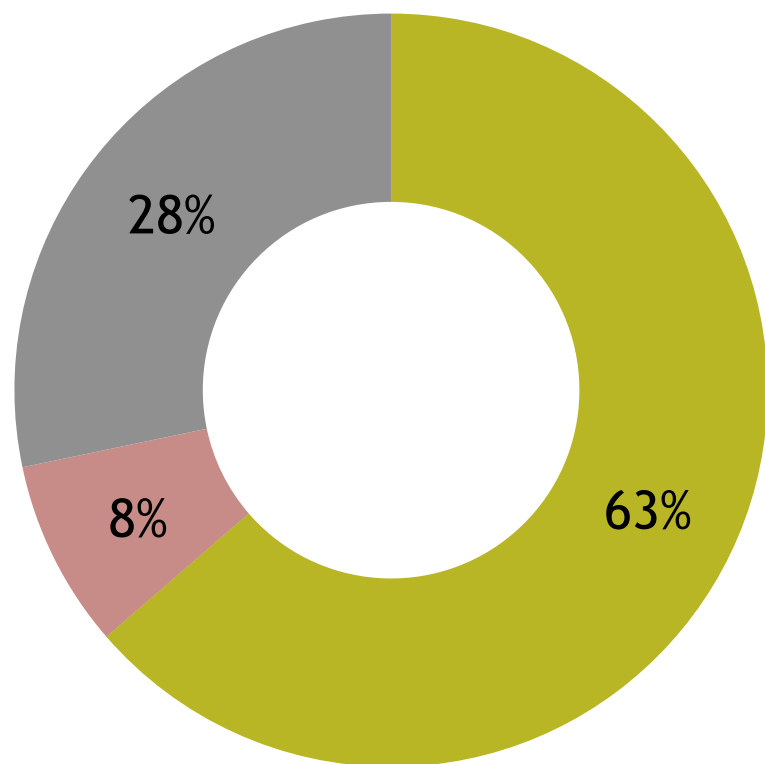


Q. Below are some potential disadvantages associated with the South Stream project. Please say how important each one is. // Q. Which do you think is the most important? [Base = All respondents (2,515)]

There is a fear of corruption as a result of South Stream pipeline

- Agreement is highest in Slovenia (73%) and lowest in Hungary (53%).

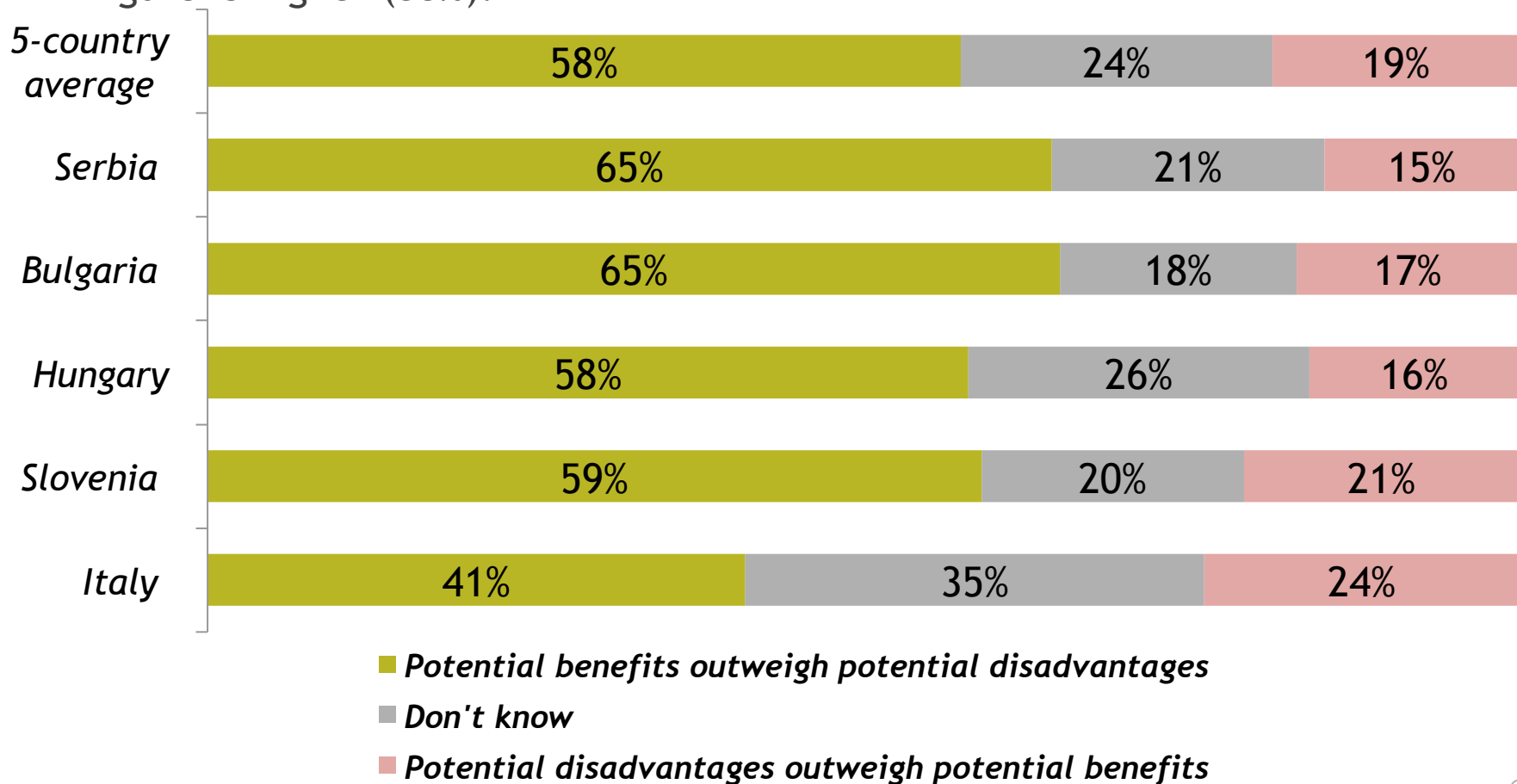
I feel worried that the South Stream pipeline will offer another opportunity for corruption in [country]:



- **Agree strongly/agree**
- **Disagree strongly/disagree**
- **Neither agree nor disagree/don't know**

However, the public in all five countries think the potential advantages outweigh the potential disadvantages

- Around a fifth remain undecided in most countries - although in Italy the figure is higher (35%).

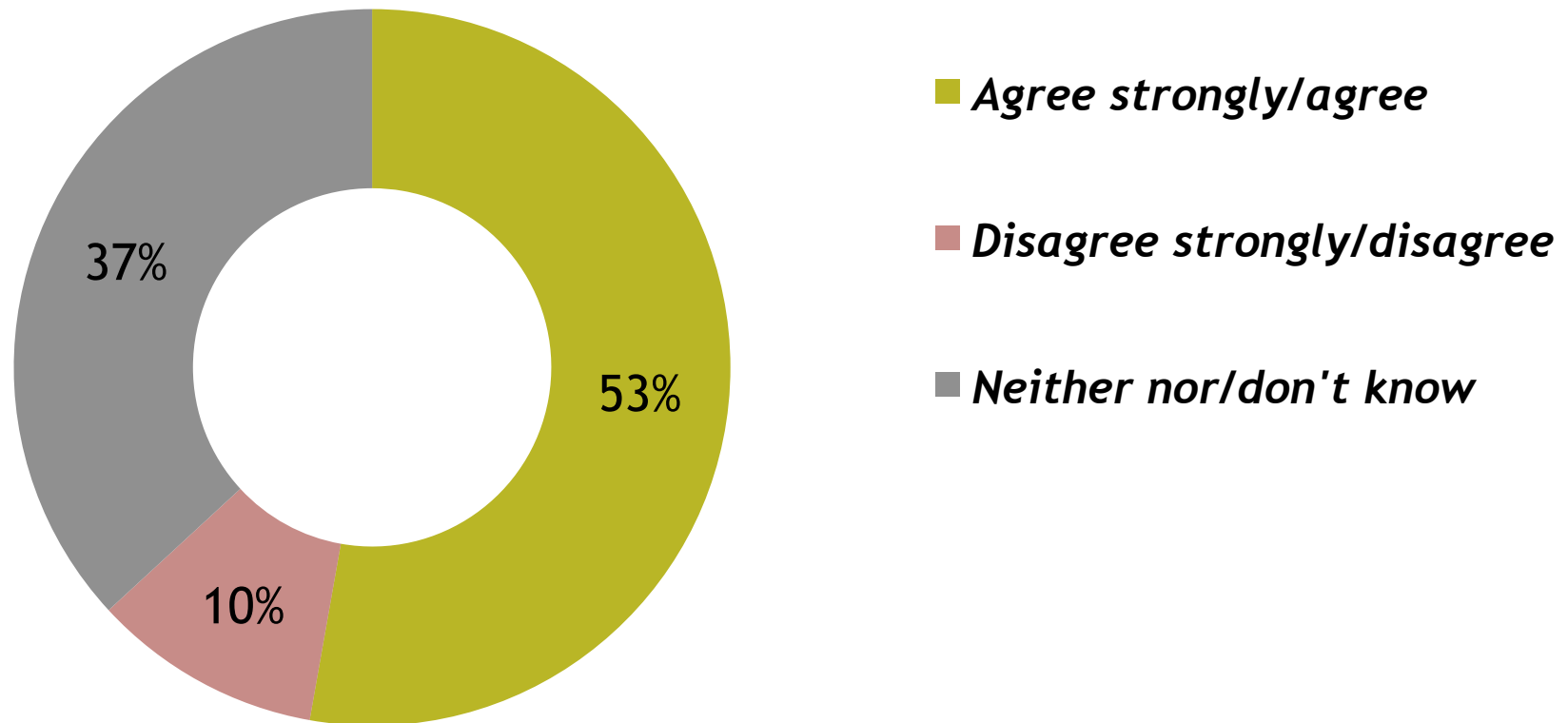


Q. Which of the following statements comes closest to your view? [Base = All respondents (2,515)]

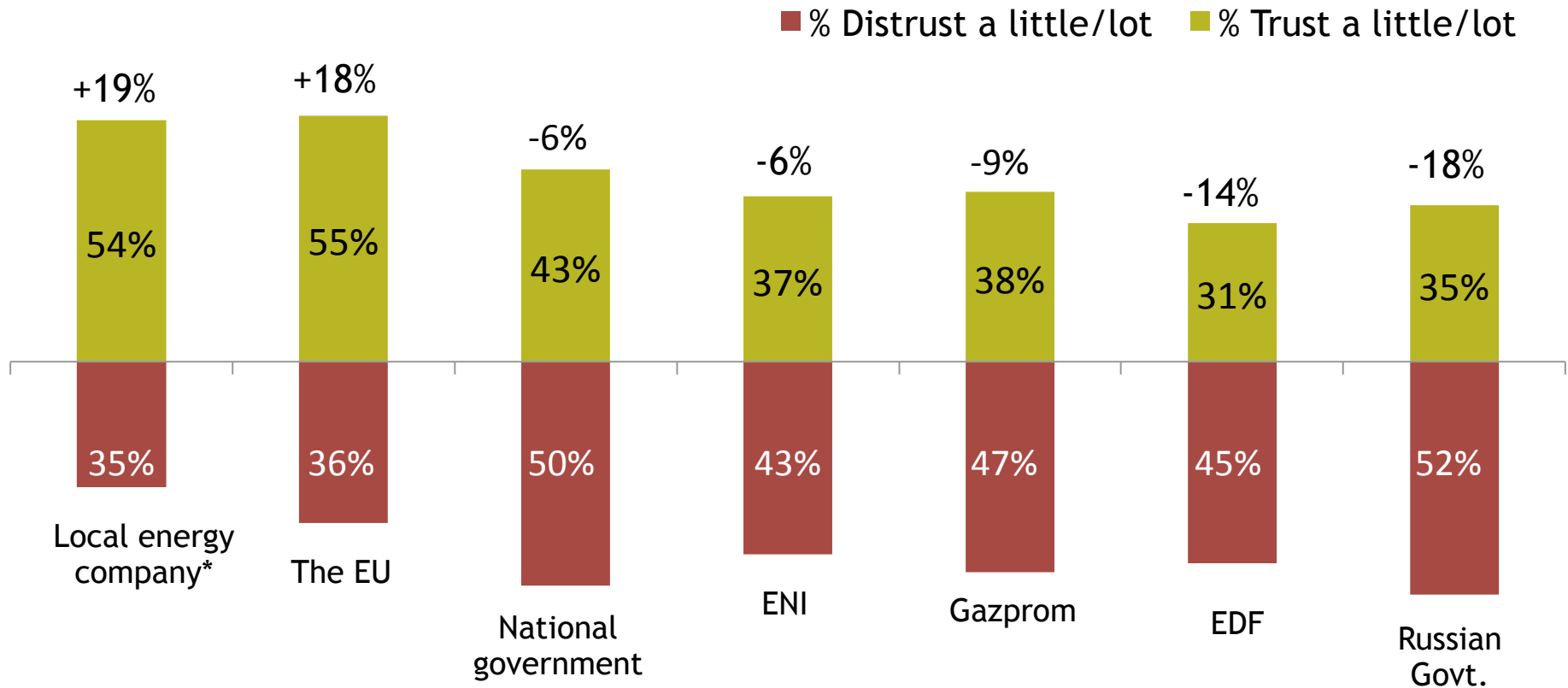
53% of respondents are happy for South Stream to pass through their country

- Agreement is highest in Serbia (64%) and lowest in Italy (32%).

I am content for gas pipelines such as South Stream to pass through [country]:



The institutions respondents most trust to act in the interests of their country are local energy companies and the EU. EDF and the Russian government are the least trusted



(* Figure excludes Italy)

Q. Below are some of the companies and organisations that are involved in the South Stream Pipeline project. Please say whether you trust each to act in the interests of [country]. [Base = All respondents (2,515)]



Conclusion

Conclusion

- Across all five countries, 59% of respondents support South Stream.
 - Despite fluctuations by country, more support than oppose it in all countries surveyed.
- In addition, on balance most stakeholders interviewed were also supportive, despite higher levels of uncertainty in Hungary and Bulgaria.
- Given the widespread lack of trust in Gazprom and the Russian Government, South Stream needs to work to disassociate itself from these organisations and establish its independence.
 - It should emphasise the multinational nature of the project to give South Stream its own identity, thereby enabling it to draw on the generally high levels of support that it enjoys.



Appendix: Methodology

Methodology

- **Members of the public** took part in a quantitative survey online.
 - In total, 2,515 respondents were surveyed across the five countries.
 - Around 500 respondents were surveyed in each country.
 - The margin of error for the data at an overall level is +/- 1.95%.
- **Stakeholders** took part in depth interviews either face-to-face or over the telephone.
 - Between 10 and 12 interviews were conducted in each country.
 - Interviews were conducted by local agencies.
 - Agencies were asked to achieve a spread of interviews across 6 categories:
 1. Academic
 2. Business organisation/leader
 3. Civil servant
 4. Environmental NGO
 5. Politician
 6. Think tank