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Slovakia resists construction of the Nord Stream 2 gas pipeline

The Nord Stream 2 (NS2) gas pipeline that is being built by the Russian company OAO Gazprom will have a significant impact on Slovakia's energy security. The country, like Ukraine, is concerned about limiting its role as a transit country, as well as Russia's use of its monopoly position in Central Europe. Nevertheless, this is not a topic often raised in political debate. Public opinion is informed about the progress in the implementation of the investment, and Slovakia's position towards the project has been known and has remained unchanged for many years.

Slovakia towards NS2: unchanged position for many years. The commissioning of the NS2 gas pipeline is one of the most important challenges for Slovakia's energy policy. According to the Slovak side, the launch of the pipeline will threaten the full suspension of natural gas transit to Europe from Russia via the territory of Ukraine and Slovakia. Already on September 10, 2015, i.e., a few days after the announcement by OAO Gazprom of the decision to create a consortium responsible for the construction of the gas pipeline, the then prime ministers of Slovakia and Ukraine – Robert Fico and Arsenij Jatsenyuk – met in Bratislava. The main topic of their talks was the coordination of the actions of both countries in order to prevent the creation of a new gas pipeline. At a joint press conference, the politicians announced that the launch of NS2 would mean a reduction in the revenues to their countries' budgets from transit fees (Slovakia earns around EUR 600 million annually on transit).

At the meeting of the European Council in Brussels on December 18, 2015, Slovakia, supported by nine EU countries (the other V4 countries and Estonia, Latvia, Lithuania, Bulgaria, Romania, and Italy), signed a joint protest letter against the implementation of the NS2 project and called on other EU countries to stand with them in this regard. At the meeting, Prime Minister R. Fico pointed out that NS2 has no economic justification, as the existing Nord Stream 1 gas pipeline is used only at 50% of its transit capacity. During the summit, the leaders of the EU member states agreed to mandate the European Commission to assess the compliance of NS2 with EU legislation and the principles of the Energy Union. Slovakia and Ukraine then received wider international support for this idea.

Slovakia towards NS2: political challenges. In the following years, Russia repeatedly offered the Slovak side cooperation in the implementation of the project. Such a proposal appeared on June 5, 2019, during the meeting of the prime ministers of Slovakia (Peter Pellegrini) and Russia (Dmitry Medvedev) in Moscow. At that time, the Russian prime minister invited the Slovak government to join the NS2 and TurkStream energy projects, although he also admitted that Moscow understood Bratislava's concern about the potential loss of revenues from natural gas transit ("IEŚ Commentaries," no. 39). Despite Slovakia's negative position on the construction of NS2, relations between Bratislava and Moscow on energy issues are rather friendly. During the St. Petersburg International Economic Forum (SPIEF-2021), which was held on June 2-5, 2021, the president of the management board of OAO Gazprom, Alexei Miller, met with the Deputy Prime Minister and Minister of Economy of Slovakia Richard Sulík (SaS) and the Minister of Foreign Affairs and European Affairs Ivan Korčok (SaS). The Russian side confirmed then that Slovakia has a stable position in the company's strategic plans. The willingness to develop further Russian-Slovak energy cooperation was also emphasized. Importantly, the Slovak side has confirmed its negative position on the construction of NS2 on various occasions. During the meeting of Slovak Prime Minister Eduard Heger and Ukrainian President Volodymyr Zelensky on May 28, 2021 in Kiev, the strategic role of Ukrainian and Slovak cooperation in ensuring energy security in Europe was emphasized. Both sides agreed that NS2 is a political project that undermines energy solidarity between European countries.

The Slovak side has for years perceived NS2 as a commercial project, posing a significant geopolitical, energy, and environmental threat to Central European countries. The launch of this gas pipeline has negative consequences for Slovakia on at least two levels: financial and strategic. In the first context, Slovakia is concerned that after the construction of NS2, the volume of natural gas transported through its territory will decrease (there is a fear of a complete suspension of supplies), and thus the financial fees will decrease. This situation will also pose a threat

to the country's energy security (approx. 90% of the natural gas consumed comes from Russia), and will hit industry and individual consumers. In the second context, Slovakia fears monopolization of the natural gas market by Germany. This will make it possible for the German side to dictate prices. It will also be an important tool in the hands of German politicians who are already pushing for the closure of nuclear power plants in Central European countries. In the long run, both trends may result in Slovakia's political and economic marginalization.

Slovakia and NS2: energy challenges. Natural gas plays an extremely important role in Slovakia's energy mix (25% of total primary energy consumption). Most of the country's electricity is generated in nuclear power plants ("IEŚ Commentaries", no. 372). Natural gas plays a significant role in industry, including the petrochemical (29%) and heating (27%) sectors, which is related to the high degree of gasification of the country (94%). Despite that, it is interesting that in the program of the government of Eduard Heger (OLaNO) for 2021-2024, the use of natural gas took a marginal place. The document emphasizes the willingness to take measures to increase competition on the energy market; cut the regulations in force in the area of electricity, natural gas, and heat supply; and declare the government's legislative support for projects aimed at the development of energy infrastructure. The program did not mention the risks for Slovakia related to the launch of NS2, nor did it include any proposals for measures to diversify natural gas supplies.

As part of the diversification of the sources and directions of natural gas supplies, Slovakia has limited possibilities, because apart from imports via Ukraine, supplies come via the Czech Republic (through the Lanžhot point) and Austria (through the Baumgarten point). Additionally, the infrastructural conditions mean that only Slovakia is able to provide natural gas supplies as an alternative to Russia (through a physical reversal at the Budince point and a virtual reverse at the Veľké Kapušany point). Of course, the source of this commodity remains a problem in this respect, as Slovakia does not produce a significant amount of natural gas. As a consequence, natural gas supplied to Ukraine via Slovakia will still come from Russia. Nevertheless, this situation places Slovakia in the position of a key alternative supplier of natural gas to Ukraine.

Currently, Slovakia still has two contracts for the supply of natural gas from Russia, which are valid until 2028. The contracts include clauses specifying the minimum volumes of supplies, but the NS2 gas pipeline may lead to a change in Slovakia's energy situation. It is possible that, in these circumstances, OAO Gazprom will seek to renegotiate the contracts and propose other delivery routes (via the Czech Republic), as was the case with the last contract for gas supplies to Hungary. This situation may be dictated by Russia's desire to suspend the transit of natural gas through Ukraine even earlier than after the end of the current contract, i.e., by the end of 2024.

Conclusions. Slovakia's position on the construction of the NS2 gas pipeline has not changed for many years and results from the threat posed by the project. The key arguments against the gas pipeline include a decrease in financial revenues from transit, the increased energy threat in the region, and the monopolization of the market in Central European countries. In Slovakia, the project is treated negatively, regardless of which political wing is in power (at least in the declarative sphere).

Slovakia is in a coalition of countries that are opposed to the construction of the gas pipeline, and also perceive political threats resulting from its construction. An important aspect raised here is the position of Germany, which will increase its role even more in Europe (through this country, 70-80% of Russian natural gas will be supplied to Europe). As Germany moves away from nuclear energy, there is growing concern that Slovakia will be doomed to use natural gas supplied by Russia and Germany.

Slovakia's position is extremely important for ensuring Ukraine's energy security. It is through this state that the reverse supplies can be realized, although the issue of the source of this commodity remains problematic. The Poland-Slovakia interconnector that is under construction ("IEŚ Commentaries," no. 450) may change the energy situation in Slovakia. Importantly, the negotiating position of the Slovak side will be much better once this connection is commissioned, the more so as Russia will be pressured to renegotiate the natural gas supply contracts currently in force.