

South-Eastern Route has more chances to deliver Azerbaijani gas to Europe

12 December 2011 – Trend News Agency

The South-Eastern Route (SEEP) has more chances to be chosen by Shah Deniz consortium to transport Azerbaijani gas to the European market, political risk analyst at Menas Associates in London, focusing on Caspian energy and political issues **Alexander Jackson** said.

"It would use a lot of existing infrastructure," Jackson told Trend via e-mail. "Therefore it would be cheap and easy to build."

The South-Eastern route, which was proposed by BP, envisages gas transportation through existing or expanded infrastructure of Turkey to the Balkan Peninsula, and then the distribution of ten billion cubic meters (that Azerbaijan intends to sell on the European market in the second phase of development of the Shah Deniz gas condensate field) to small buyers, including Greece, Bulgaria, Serbia, Croatia and others via the existing gas pipelines system.

At present, the consortium of Shah Deniz field development considers the proposals, which were offered by three Southern gas Corridor's pipeline projects (Nabucco, TAP and ITGI), aiming at transportation of Azerbaijani gas to the European countries.

Earlier, SOCAR senior representative told Trend that if the Azerbaijani side is not satisfied with terms of the three projects, then the South-Eastern Route of supply may be selected well.

Talking about the prospects about the Southern Gas Corridor projects, Jackson said that the smaller pipelines - TAP and ITGI are more realistic.

Nabucco project, which is designed to transport gas from the Caspian region and Middle East to the European countries, looks extremely vulnerable at the moment, Jackson said.

"It is a very expensive, time-consuming project, and there is not much appetite for it at the moment," he said.

Jackson said that one of the main challenges for the projects is to find enough money. That is why the consortium is likely to choose a cheap and flexible pipeline.

"Nabucco has the additional problem of finding enough suppliers to fill the pipeline: the other options are smaller and do not face this challenge," he said.

The plans of Azerbaijan and Turkey to build a separate Trans-Anatolian Pipeline (TANAP) were another unexpected challenge.

"This has significantly complicated the situation and may undercut pipeline plans," Jackson said.

Azerbaijan and Turkey consider the possibility to construct a new gas pipeline, which will stretch from the eastern border of Turkey to the western border of the country. The new pipeline could utilize existing sections of Turkey's main east-west transit line in addition to the newly constructed line.