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#### Europe seems to be drowning in LNG?

Gas utilization in Europe dropped by over 20% last year compared to 2021 and it's still going down, but this may be the lull before the storm. Europe could still face a harsh winter and the problems that will be faced in filling storages with gas during the summer are getting more serious. Russian supply this year will be a lot less than last year and if President Putin decides to reduce it even further, it will put Europe in difficulty.

#### Direction for gas prices?

I don't think prices will stay down at these levels for too long. The problem for Europe is that China's economy is expected to grow, some say, by more than 5% this year. Gas utilization in Asia in general will go up and Europe is going to find it that much more difficult to access more gas, especially since US LNG has reached a plateau and a lot of it is diverted to Asia. European industry, especially in Germany, is still suffering massively from these gas prices - factories are closing and relocating to the Middle East and the US.

#### China is still diverting cargoes to Europe because it's overflowing with gas?

Yes, but China will be driving energy demand into the future - it has not peaked yet. And its economy is set to recover well this year. President Xi seems to be determined to make that happen. He has consolidated his power, he has improved links with the Arab world securing his energy supplies, and he's planning for substantial growth. The austerity period of last year is behind China.

#### Can Putin and Turkey choreograph a new gas corridor?

Erdogan's position in Turkey is strengthening, and the opposition is fragmented. He may call the election in May, and it looks as if he will win. Erdogan's relationship with Russia is mushrooming and he is quite serious about taking up Russia's offer to make Turkey a gas transit hub to Europe. But Erdogan's Achilles Heel is his economy - it's in tatters, and rescuing it will at some stage, depend greatly on cooperation from Europe and the US, not Russia. So, it remains to be seen which way he's going to pull. He wants his legacy to be a Turkey on track for growth. ■

*\*Paraphrased Comments*



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