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# INTERDEPENDENCE AND ENERGY SECURITY – RUSSIA AND EUROPE – BUILDING BALANCE

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**ABSTRACT:**
*THIS PAPER WILL TRY TO EXPLAIN THE WAY RUSSIA MANAGED TO INFLUENCE THE COURSE OF THE EUROPEAN ENERGY POLICY (FROM 2014 UNTIL NOW). MAINLY, IT WILL REFLECT ON THE ROLE OR THE INFLUENCE OF THE TWO STATE OWNED COMPANIES GAZPROM AND ROSNEFT ON THE EUROPEAN MARKET. TAKING INTO CONSIDERATION THEIR RESERVES OF GAS AND OIL, THEIR DELIVERY CAPACITIES AND PRICE PER UNIT, WE WILL TRY TO SEE IF IT IS POSSIBLE FOR THEM TO BE REPLACED BY ANOTHER INTERNATIONAL ACTOR ON EUROPEAN MARKET. ANOTHER AIM OF THIS PAPER IS TO UNDERSTAND WHERE THE TENSIONS BETWEEN OPEC (MAINLY SAUDI ARABIA) AND RUSSIA WILL LEAD, WHAT ARE THE GOALS IN THIS ECONOMICAL WAR AND HOW WILL THIS AFFECT EUROPEAN UNION. THE FINAL PURPOSE OF THIS PAPER IS TO FIND POSSIBLE FUTURE SCENARIOS REGARDING THE ENERGY MARKET IN THE EUROPEAN UNION, SUCH AS A NEW HISTORICAL ACCORD BETWEEN OPEC AND RUSSIAN FEDERATION, OR THE REPLACEMENT OF THE RUSSIA OIL WITH ARABIAN OIL ON THE EUROPEAN MARKET, ANALYZING AND COMPARING OFFICIAL REPORTS AND DATA, SCIENTIFIC ARTICLES AND PAPERS.*

**KEYWORDS:** RUSSIA, EUROPE, OIL, GAS, SECURITY.

## INTRODUCTION

Through this paper we want to analyze how Russia was able to extend and maintain its influences in the European market when it comes to energy policies starting with 2014 until today. It will be mainly axed on the role and impact of Gazprom and Rosneft on the European Market, their cooperation with OPEC and the negotiations results between Russia and OPEC alliance. Considering the fact that Russia has considerable resources of natural gas and oil and a well-developed transport infrastructure, we will analyze the probability of Russia to be replaced as an exporter on the European market by other country. Another aim of the paper is to understand the "interests" that stand between Russia – OPEC tensions.

The research question that underlies the paper is: *Why European Union is not ready to replace Russian Federation on the energy market for being able to decrease its political influence?*

This research is relevant because of the important role Russia plays on the international arena, managing to participate in the international policies as a big power and to constantly extend its influence in specific areas. Another fact is that starting with the Soviet

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Union until present day, Russian Federation was able to combine *hard power* and *soft power*, this giving the possibility of creating and maintaining good relations with important states from Asia and Middle East.

Regarding the methodology, we will use comparative analysis of data collected from annual reports and official sources about prices, exports of gas and oil from Russia, Saudi Arabia and other countries to European Union. Also, we will analyze scientific articles and paper related to the subject to talk about the way Russian administration manages to be present in the administration of Gazprom and Rosneft and to make them part of the external policy.

## GAZPROM AND ROSNEFT ON EUROPEAN MARKET

In this section we will analyze the way Russian administration managed to create two main companies on the energy market: Rosneft and Gazprom. We will try to evidence the main advantages of these two companies and the advantages of owning full control over them. Also, we will try to see how influent are they on European oil and gas market and how dependent are European countries.

As it is officially known, after the fall of the Soviet Union, the Ex-Ministry of Gas was transferred to the state and became a state-owned company named Gazprom. The importance of this company was early remarked by Vladimir Putin in his paper "Mineral-raw resources in the development strategy of the Russian economy"[2], this being one of the most important causes why he gave management positions to people that are close to him. Rosneft has a different story because it appeared as a private company which shares were bought by the state through AO «Rosneftgas». During its history this company was favored by the state to be able to absorb other oil companies from Russia that possessed significant resources. An example here could serve Basnett which was owned by Vladimir Evtushenko, its value being estimated at that time at $7,2 billion.[3]

For the beginning we will analyze the evolution of Gazprom exports. Scrutinizing the annual reports starting with 2014 until today and graphs published on the company website, we can observe that both reserves and exported quantities show a constant growth trend. If we talk about stored quantities, in 2014[4] the company owned 37.073,2 bcm of gas, while in 2016[5] this number changed to 37.433 bcm and then to 36.342 bcm in 2018[6]. The 2018 descending tendency can be explained by the considerable increase of exports in European Countries (United Kingdom, France, Netherlands, Germany, Italy, Poland, Czech Republic, Austria, Hungary, Slovakia). The annual report for the same years (2014 – 2016 – 2018) shows a significant growth of the exported quantity in 2014 and 2016 from 113,7 bcm of gas to 179,5 bcm of gas, and 191 bcm of gas for the 2018. Because at the time of the elaboration of this paper the annual report 2019 was not yet published, we can assume that in 2019 Gazprom registered another export growth or at least a constant export in comparison with

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[2] Vladimir, Putin, *Минерально-сырьевые ресурсы в стратегии развития российской экономики*, Записки Горного института, Санкт-Петербург, Том 144(1), Санкт-Петербург, 1999.

[3] Cătălin Apostoiu. *De ce Rosneft, cea mai mare companie petrolieră a Rusiei, câştigă mereu*. Accessed 20.02.2020,http://www.zf.ro/business-international/de-ce-rosneft-cea-mai-mare-companie-petroliera-a-rusiei-castiga-mereu-16707949.

[4] ОАО «ГАЗПРОМ», *ГОДОВОЙ ОТЧЕТ 2014*, accessed 23.04.2020. http://www.gazprom.ru/f/posts/16/616270/gazprom-annual-report-2014-ru.pdf.

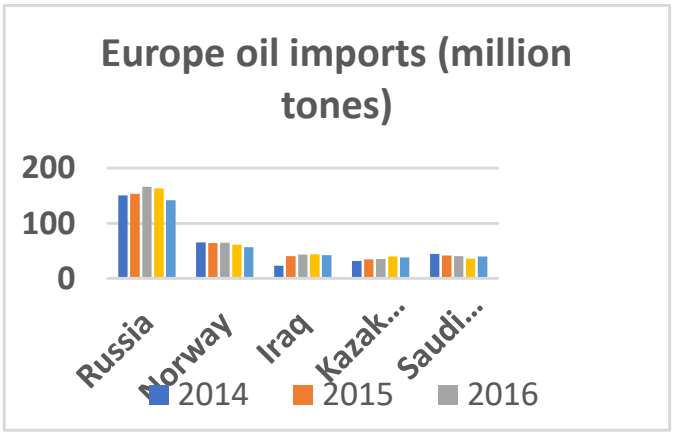
[5] ОАО «ГАЗПРОМ», *ГОДОВОЙ ОТЧЕТ 2016*, accessed 23.04.2020. http://www.gazprom.ru/f/posts/36/607118/gazprom-annual-report-2016-ru.pdf.

[6] ОАО «ГАЗПРОМ», *ГОДОВОЙ ОТЧЕТ 2018*, accessed 23.04.2020. http://www.gazprom.ru/f/posts/09/716075/gazprom-annual-report-2018-ru.pdf.

2018, while 2019 was not marked by major political events capable of disturbing this growth. Also, we can observe that there are states that tried to decrease the dependency of the Russian gas, but this was possible only for a period of 1-2-3 years (ex. Great Britain, France, Austria, Hungary), this being observed in the table below.

| Gas exports to Europe (bln $m^3$)[7] | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2012[8] | 2013[9] | 2014 | 2015 | 2016 | 2017 | 2018 |
| Great Britain | 11,2 | 16,6 | 15,5 | 22,5 | 25,7 | 29,1 | 34,2 |
| Framce | 8,2 | 8,6 | 7,6 | 10,5 | 12,5 | 13,2 | 13,3 |
| Netherlands | 2,9 | 2,9 | 4,7 | 8,4 | 27,5 | 17,4 | 21,4 |
| Germany | 34 | 41 | 40,3 | 47,4 | 57,9 | 67,1 | 65,7 |
| Italy | 15,1 | 25,3 | 21,7 | 24,4 | 24,7 | 23,7 | 22,6 |
| Poland | 13,1 | 12,9 | 9,1 | 8,9 | 11,1 | 10,5 | 9,9 |
| Czech Republic | 8,3 | 7,9 | 0,8 | 0,9 | 3,1 | 3,8 | 2,6 |
| Austria | 5,4 | 5,2 | 4,2 | 5 | 7,5 | 9,8 | 9 |
| Hungary | 5,3 | 6 | 5,4 | 6 | 5,7 | 7 | 7,3 |
| Slovakia | 4,3 | 5,5 | 4,4 | 3,8 | 3,7 | 4,5 | 5 |

If we talk about Russian oil exports, we should know that in this sector two major companies are responsible for extraction, storage and export: Rosneft and Gazprom Neft (part of Gazprom Holding). Taking into consideration this, and the fact that Rosneft is the biggest Russian company specialized in oil industry, we will analyze the evolution of the total amount of oil exported by the country only between 2014 and 2018.[10][11]




*Graphic 1.1*[12]

[7] This table was made by the author of the paper. All the data were collected from Gazprom annual reports starting with 2012 until 2018.
[8]ОАО «ГАЗПРОМ», *ГОДОВОЙ ОТЧЕТ 2012*, accessed 23.04.2020. ,https://www.gazprom.ru/f/posts/21/499896/gazprom-annual-report-2012-ru.pdf.
[9]ОАО «ГАЗПРОМ», *ГОДОВОЙ ОТЧЕТ 2013*, accessed 23.04.2020. https://www.gazprom.ru/f/posts/18/681453/gazprom-annual-report-2013-ru.pdf.
[10] https://ec.europa.eu/energy/data-analysis/eu-crude-oil-imports_en?redir=1, accessed 10.03.2020.
[11]https://ec.europa.eu/eurostat/statistics-explained/images/f/f2/Crude_oil_imports_by_country_of _origin% 2C _EU-28%2C_2000- 2017_%28million_tonnes%29.png, accessed 20.02.2020.
[12] Graph 1.1 was made by the author with data collected from sources 8 and 9.

After we analyzed the data, we observe that Russia is the main oil exporter for the European Union, followed by Norway, Iraq, Kazakhstan and Saudi Arabia. Between 2014 and 2018, exported quantity was never bellow 140 million tons of oil, which is the total export of Norway, Iraq and Saudi Arabia in 2016.

The exports from Russia and Norway experienced a decrease in 2018, but according to a *Statista* analysis[13] they should increase in 2019 by approximatively 12.3% observing the last tendencies and also the fact that Germany and United Kingdom are constantly increasing the internal oil consumption.

Taking into consideration the information mentioned in this part of the paper, we are able to conclude that Russian Federation was, is and will be a key actor for the next 5 – 10 years on the European energy market. From the gas perspective it is because this country has the largest amount of resources and the most developed delivery system, from the oil perspective this is because none of the other countries that export oil on the European market is able in present to reach such a big quantity as Russian Federation, or at least to create a partnership between countries and to compensate this quantity.

**RUSIA-OPEC RELATIONS BETWEEN 2014-2020**

Through this section we want to evidence the main highlights between Russia and OPEC beginning with 2014 when Crimea was annexed. The moment represented an important step in Russia's history that was followed by the EU sanctions and OPEC response that lead to the fall of oil price, the fall of the Russian ruble because of a new economic crisis. It is important for us to know more and understand the curve of this "relationship" because, from the point of view of energy policy, European Union is directly depended of OPEC and OPEC+ (non-OPEC) countries (in our case we talk about Saudi Arabia and Russian Federation). This interdependency relation occurred from lack of other suppliers, capable of exporting the needed oil quantities and means that if the exporting countries will decide that they need to rise or cut extracted quantities, European Union will have to conform to it and pay higher or lower prices.

If we take a closer look at the Russia – OPEC relation after the fall of the Soviet Union,[14] we are able to observe four main events[15] that somehow shaped the oil market and industry. First one, between 1997 and 1998 when the oil price dropped from $25/bbl to below $10/bbl. This was a consequence of OPEC decision to increase output but not knowing about the drop of oil demand and the Asian and Russian economic crises that will follow.[16] Second one between 1999 and 2001 when the OPEC countries and non-OPEC states (Russia, Norway, Mexico and Oman) assumed to reduce the global oil supplies by 2.1 million bbl/d (barrels per day) and the independent players by 388000 bbl/d. The cause of new tensions was Russia which assumed to reduce its output by 4%, but in reality its output constantly raised, this leading to the increase of price per barrel and to the increase of the Russian Federation incomes[17] After the terrorist attacks in 2001,when OPEC decided to cut oil

[13] https://www.statista.com/statistics/265303/oil-imports-into-europe/, accesses 20.04.2020.
[14] Joseph, Mann, "*Russia's Policy Towards OPEC"*, Middle East Journal, Volume 45, 2009.
[15] James Henderson and Bassam Fattouh, "*Russia and OPEC: Uneasy Partners"*, p2, The Oxford Institute for Energy Studies (2016), accessed 30.04.2020.
[16] "*The next shock?"*, The Economist, *May 4,1999*, https://www.economist.com/special/1999/03/04/the-next-shock, *accessed March 25,2020*.
[17]Youssef Ibrahim, "*Oil Countries Approve World Cutback of 3%"*, The New York Times, March 24, 1999, , accessed April 3,2020, http://query.nytimes.com/gst/fullpa ge.html?res=9401E1 DB1F31F937A15750 C0A 96F958260&sec=&spon=&page.

productions to avoid a collapse and saw that Russian oil industry was constantly[18] rising was somehow "forced" to cede the European market because the other exporting countries where no longer capable to provide such a big quantity of oil as Russia was. The third highlight is one of the most important because it happened in the context of the Great Recession, between 2007 and 2009, when the oil price fell from a historical record of $147/bbl to a low of $39/bbl. An important role at that time played the actual Chief Executive Officer, Igor Sechin, who is also considered the second most powerful person in Russian Federation and Vladimir's Putin "right hand". At that time, he was the prime minister responsible for energy and "attended three consecutive OPEC meetings as an observer, consistently encouraging production constraint from OPEC but providing no promises of help from Russia."[19]

Explained in general lines, those and the future "highlights" appeared because of overproduction of oil on the market. In consequence each time existed some meetings between Russian representants and OPEC representants in which Russians brought arguments why they cannot stop or shrink their oil extraction process and asked OPEC members to do this. Another reason is that usually after negotiations, instead of decreasing the quantity of oil sold on European or Asian market, Russia continued to increase it, being aware that, in case of oil restrains, its economy will be significantly affected.[20]

In 2016, European Union decided to impose economic sanctions to Russian Federation after the annexation of Crimea. Russian economy faced a new challenge that was represented by the devaluation of the Russian ruble and the incapacity of its companies to export products to the European or US markets. Another problem at that time for the OPEC and non-OPEC countries was represented by United States that earlier decided to give free rein to its companies to enhance oil production. This was perceived as a danger mainly by Saudi Arabia and Russia because their contracts and incomes were threatened. As a measure, OPEC and its allies decided to increase oil production in order to diminish oil prices and kick out United States shale firms from the market. After series of meetings and arguments, Russia and OPEC signed a new agreement which was expected to "cement a long-term cooperation".[21] Knowing that previously Russian cuts where more on paper than on the market, now it was expected from Russia to gradually cut the prices until 300000 bbl/d. Russia output was expected to fall from 11.247 million bbl/d to 10.947 million bbl/d.[22]

Even if in "crisis" situation OPEC countries and their allies decided to reduce the exports and extracted quantities, generating significant income loss while Russian energy companies were the only ones to register an insignificant loss or even higher incomes. How was this possible?

On one hand it was possible because, after negotiations, instead of cutting its exports, Russia decided to cut them only for a very short period of time and after to return to the initial quantities or even higher quantities. Taking into consideration that, in addition to the quantities provided in the long-term contracts, European countries usually import some *extra* quantities of oil or gas, while Russia was always able to supply them with the needed

[18]Sabrina Tavernise, , "*Russia Raises Oil Output and Exports"*, The New York Times, August 24, 2001, accessed April 4, 2020, http://query.nytimes.com/gst/fullpage.ht ml?res=9C0CE0DE1231 F9 37A 157 5BC 0A9679C8B63&scp=4&sq=Russia.

[19]James Henderson and Bassam Fattouh, "*Russia and OPEC: Uneasy Partners"*, p3, The Oxford Institute for Energy Studies (2016), accessed 30.04.2020.

[20]V. Busshuev and N. Isain, , "*Нефть и инновационная экономика России*", p.161–166, ЖурналНЭА, №4(16),2012.

[21]Dmitry Zhdannikov, "*OPEC, non-OPEC agree first global oil pact since 2001"*, Reuters, December 10, 2016, *accessed March 20, 2020, https://www.reuters.com/article/us-opec-meeting-idUSKBN13Z0J8.*

[22] Zhdannikov, "*OPEC, non-OPEC agree first global oil pact since 2001"…*

quantities. Also, all the payments from a company, legal or physical entity to the Russian administration are made in Russian ruble and the value of the currency decreased due to economic sanctions imposed by European Union and USA, it is not so hard to understand that the income has risen. On the other hand, it was possible for those companies to increase their incomes, because, for example between 2014-2016 the state assumed to pay a part of export taxes for the companies and to cut some of taxes the companies had to pay to the state, this leading to a significant payments cut.[23] [24]

**FUTURE SCENARIOS**

In this section we will try to emphasize three probable scenarios for the future of the European energy market. These scenarios will try to synthesize the information mention in the above sections, and also to explain how the last events that took part in 2019-2020 could influence the international policy.

The first scenario and probably the most anticipated one is about a new agreement between OPEC countries and its allies. Talking about the tensions that appeared in the oil industry in the last 2-3 years a new economical conflict has to be expected. The first problem appeared when United States turned from an important oil importer into a dangerous oil exporter.[25] After Saudi Arabia and Russia formed an alliance to kick out from the market the American companies as mention in the previous section, this alliance was canceled and here appeared the second problem. The new problem is because of the misunderstandings between Arabs and Russians when the market was affected by the new COVID 19 virus. Because of the global lockdown the oil demand has fallen and oil exporters had to cut productions to avoid an eventual collapse. Of course, Russia rejected this demand and a new crisis began. Knowing how important is this country for the European market and that Saudi Arabia needs Russia for being able to maintain United States out of the market, we can say that an agreement is inevitable, because United States is still waiting for the possibility of kicking out Russia from the market. According to Bloomberg, in the first half of April 2020 OPEC+ alliance signet a new agreement which was meant "to cut global petroleum output by nearly a 10th, putting an end to a devastating price war but not going far enough offset the impact of the coronavirus pandemic." The main idea of this first scenario is that a future collaboration between Saudi Arabia and Russian Federation is a *need* for being able to maintain United States out of the European energy market and regulate the prices as they need. [26]

A second possible scenario is that Saudi Arabia will decide together with OPEC and non-OPEC countries to kick out Russia from the European market as a consequence of continuous cheating attempts regarding to the oil cut agreements. The main questions are: Is

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[23]M. Kashirina and M. Juravlev, "*Особенности налогообложения при добыче газа в России"*, Financial journal No.4 2016.

[24]Alina Fadeeva, "*Минфин решил сохранить налоговые «нашлепки» для «Газпрома» и нефтяников", RBC, September 10, 2019, accessed June 5, 2020,* https://www.rbc.ru/business/10/ 09/2019/5d76 0ab09a 794715 3289af37.

[25] Stanley Reed, "How a Saudi-Russian Standoff Sent Oil Markets Into a Frenzy", New York Times, March 9, 2020, accessed April 22, 2020, https://www.nytimes.com/2020/03/09/ business/energy-environment/oil-opec-saudi-russia.html.

[26]Javier Blas, Salma Wardany, and Grant Smith, "*Oil Price War Ends With Historic OPEC+ Deal to Slash Output", Bloomberg, April 12, 2020, accessed April 14, 2020,* https://www.bloomberg.com/news/ article s / 2020-04-12/oil-price-war-ends-with-historic-opec-deal-to-cut-production?sref=StzN0HjU& utm _conte nt = bu siness &ut m_ source=facebook&cmpid=socialflow-facebook-bu si ness &utm_campaign=socialflow-or ganic& utm _me di um=social&fbclid=IwAR13uK tfZo5nr YFY vDd8 71apZ 4WJP 7MW 2ayBQB xwZ bF ebvhx-oVx5w-k-UU.

Saudi Arabia able to do it? Will the OPEC countries be able to compensate Russian oil on the market?

Well, theoretically, according to the official OPEC statistics this thing is possible. Analyzing the data that we will find in this bulletin[27], we will observe that:

a) From 2016 until 2018, Saudi Arabia proven[28] oil reserves have raised from 266.208 million/b to 267.026 million/b, comparing to Russian official reserves that according to OPEC remained at 80000 million/b during the same three years. The only problem here is that Russia used to publish erroneous data[29], this possibly being just an approximative number;
b) Analyzing the world exports (measure unit 1000 b/d) we will observe that in 2016 Saudi Arabia exported 7463,4, in 2017 it exported 6968,3 and 7371,5 in 2018, this being compared to Russia that exported 5080,6 in 2016, 5061,5 in 2017 and 5069,1 in 2018;
c) The different oil quality. This is a very important consideration when we talk about the oil quality, because it also should influence the oil price and its destination. During the years, Russia was accused for delivering "dirty oil" to Europe and Asia, at a high price.[30] [31] On the other side, Saudi Arabia always delivered better-quality oil at a lower price. In the case European countries decide to change the oil supplier, this will play an important role.[32] [33]

The third scenario can sound a little bit more futuristic but at a deeper analysis we will understand that it's very possible in the actual circumstances. In this scenario, after the global lockdown passes, and people worldwide will discover again what means clean air and low pollution level, they will decide to make some changes and start to promote renewable energy and use electric cars. According to Statista[34], in 2017, 50,11% of the global oil production was used by the "road sector" this mean that, if people will buy more and more electric vehicles, the global oil demand will decrease, creating some changes in this industry. European car makers already started or accelerated their development of the electric cars to

[27] *OPEC Annual Statistical Bulletin, 2019,* https://asb.opec.org/index.php.
[28] When we talk about natural resources (oil/gas) there are 2 types of quantities: proven and estimated by the owner state. When we talk about proven resources, there are some specific procedures in dependence of resource, that are internationally agreed and used when reporting quantities to and international organization (ex. OPEC countries to the organization for being able to make the bulletin.) There are also unproved/estimated quantities, that are measured by the country/owner of pipeline (ex. Gazprom/Rosneft) for their own interest for being able to make their future strategy (proven and unproven quantities are measured in the same unit). Usually proven quantities are lower.
[29] Analyzing the data from the upper mentioned bulletin we are able to observe that quantities of oil changes after each year. Considering the fact that Russia is one of the main exporters, and extracted/ sold quantities vary from a year to another, it is clear that the total quantity can't stat at a standard 80000 bcm.
[30] Florence Tan, Olga Yagova, "*Oil traders sell dirty Russian crude to Asian buyers"*,Reuters, May 21,2019, accessed April 24.2020, https://www.reuters. com/article/us-russia-oil-quality-asia/oil-traders-sell-dirty-russian-crude-to-asian-buyers-idUSKCN1SR0XD.
[31]Juliane Geiger, "Russian Crude Could Still Be Dirty By Mid-2020", July 20, 2019, Oilprice, Accessed May 27, 2020, https://oilprice.com/Energy/Crude-Oil/Russian-Crude-Could-Still-Be-Dirty-By-Mid-2020.html.
[32] Mihail Khodorkovsky personal interview for TV2, https://www.youtube.com/watch?v=CcRupatMrbQ, accessed May 15, 2020.
[33] Serghey Guriev personal interview, https://www.youtube.com/watch?v=VTBiAGH1F0Y, accessed May 16,2020.
[34]https://www.statista.com/statistics/307194/top-oil-consuming-sectors-worldwide/,accessed 01.05.2020.

be able to enter this market in 2020.[35] This means that, for example if Tesla, VAG-Group and other major car producers will be able to produce mid-cost and low-cost electric vehicles, the big powers such as United States, Saudi Arabia and Russia will register higher losses.

## CONCLUSION

When trying to make the conclusion, we should not forget about the most important fact: *International business at such a level was and will always be in an interdependent relationship with politics*.

Russia was always an important actor on the international arena and one of the "Big Powers" that somehow influenced the World Order in different periods. If we talk about the present and about the European space, we see that, in the last years European Union faced different challenges. Trying to make a timeline from 2010 to 2020 we should remember about the Crimea annexation (a "fantastic" process that was unexpected in the Europe of the XXI century), NotPetya cyber-attack (the most devasting cyber-attack in history)[36], Sergei Skripkal assassination in United Kingdom (when Russian military officers used a chemical weapon named *A-234),* Cambridge Analytica Case, and other cases that reminded us that Russia is still powerful and will always look to achieve its goals.

One of Russia's advantages is that the administration was always able to combine soft, hard and newer to use the *sharp power* that means *"*an approach to international affairs that typically involves efforts at censorship or the use of manipulation to sap the integrity of independent institutions[37]". That combination lead to good relations with periodical fluctuations with the Middle East powers and China, the last being one of the biggest Russian oil and gas buyers. Also, this combination of diplomacy allowed Russian to create stable allies among the European Union countries, such as Austria, Germany, Italy, Hungary, Bulgaria, and other countries that always were opened to "collaboration" and to promote some special projects or ideas that in a way or other advantaged Russia.

Talking about "The Balance", we should not forget that there is a strong interdependency from economical and energetical point of view between European Union and Russia. While Europe consumes Russian gas and oil, Russia continues to spread its political influence in Europe using Gazprom and Rosneft[38]. We should also take in considerations that such a big provider can't be kicked out of a market so easy, considering the fact that Russia is the main oil and gas supplier we can say that she holds the monopoly, this fact being due to the developed transportation infrastructure and ambitious projects such as Nord-Stream or Turk-Stream will make Russia be one step forward its competitors.

Also, when talking about the balance between Russia and Europe, we should take into consideration the relationship between Europe and Saudi Arabia are week[39] because of its ruling system, lack of liberty, lack of internal reforms able to build a better state and the local

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[35] Jasper Jolly, "*2020 set to be year of the electric car, say industry analysts",* The Guardian, December 25,2019 , accessed May 2, 2020, https://www.theguardian.com/environment/2019/dec/25/2020-set-to-be-year-of-the-electric-car-say-industry-analysts.

[36] Andy Greenberg, "The Untold Story of NotPetya, the Most Devastating Cyberattack in History", August 8, 2018, accessed May 1, 2020,https://www.wired.com/story/notpetya-cyberattack-ukraine-russia-code-crashed-the-world/.

[37] Christopher Walker, "What Is 'Sharp Power ?", p. 9–23, Journal of Democracy 29, no. 3 (2018).

[38] Nina Poussenkova, "*Lord if the rigs: Rosneft as a mirror of Russia's evolution",* JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY OF RICE UNIVERSITY, *2007, p.47.*

[39]Beth Oppenheim, "*You never listen to me: The Europea-Saudi relationship after Khashoggi",* https://www.cer.eu/publications/archive/policy-brief/2019/you-never-listen-me-european-saudi-relationship-after, accessed 20.05.2020

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rivalries with Iran. From this point of view, Russia is a better and more stable partner with which the building of a political-economical balance is more prone to success.

Even if the second scenario somehow becomes real and Saudi Arabia kick out Russia from the European market, we can expect higher prices for gas from Russia of even a situation when Europe is blackmailed with gas delivery cessation. But according to the course of things, Saudi Arabia and Russia care too much about their relation and know that United States will never be such a "good ally".

Otherwise we should never forget about the interdependency relation that exists between Europe and Russia. We are no longer prepared to give up Russian gas and oil in the detriment of another supplier of the renewable energy, and that's the main reason why we are dependent and vulnerable.

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