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IRAN'S STRATEGIC ROLE FOR EUROPEAN ENERGY SECURITY

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Overview

According to valid estimations, due to inherent properties and especially its environmental consistency, natural gas is one of energy carriers that will attain the highest growth rate till 2030. This means that the share of natural gas in the world energy basket is increasing. Furthermore, considering the emerging concerns about the ecosystem and the international agreements on preservation of the environment it seems certain that more serious collaboration will be made for higher share of natural gas in the future global energy basket.

Iran, having more than 27 trillion cubic meter proven natural gas reserves, following Russia holds the largest world reserves. The country has an undeniable role in the region as the most economic, the safest and the shortest transit pathway for the export of the gas in the region to the world market and particularly Europe.

In view of the important geographical position of the country, Europe is potentially the largest gas market for Iran. Based on the forecasts, the demand for natural gas in that region will increase significantly. The International Energy Agency has estimated that the consumption of natural gas in Europe will increase from 534 billion cubic meters in 2004 to 774 billion cubic meter in 2030 with an annual rate of 1.4 percent. However, the production of natural gas in Europe will decrease with annual rate of .5 percent. Therefore, up to 2030 the European countries have to import about 63 percent from domestic consumption i.e. 488 billion cubic meter natural gas. Thus, there will be good opportunity for the natural gas producers around the world and especially Iran to benefit from this large non-negligible market. In addition to the current perspectives for the increase of volume of European countries natural gas imports, following the Russian gas export crisis in early 2006, these countries are pursuing more secure energy supply regions and are seeking for diversifying their supply sources. Therefore, besides increasing their LNG import capacity, the European countries are willing to construct pipelines for transport of natural gas outside the influence zone of Russia. It is therefore reasonable to study the subject of transport natural gas reserves in Iran to Europe.

Methods

The method that is used in this research is a statistical analysis that is based on the most valid data that exists today about the energy issues.

Conclusions

In this paper, we first review the present natural gas market perspective in Europe including supply, demand, under-construction and planned LNG import capacity and plans of Islamic Republic of Iran for development of natural gas industry and increase of natural gas export by pipeline or LNG. We also discuss the possibilities of presence of Iran in natural gas market of Europe and will show that extensive cooperation of large European energy users and energy producing countries will guarantee the security of supply of energy and this will satisfy the national interests of all parties.

References:

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