Institute for Energy and Finance Foundation

Russia's Experience in Preventing Energy Crises:

Security, Efficiency and Diversification

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www.fief.ru

https://t.me/IEFnotes

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Congress & Exhibition

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About the Institute for Energy and Finance Foundation (FIEF)

Key Facts

The Institute of Energy and Finance Foundation (FIEF) was established in 2004 in the form of a non-profit organization. The founders were **Gazprombank (CJSC)** and **Gazprom Export LLC**.

The FIEF is an independent center for economic analysis and modeling, with deep expertise in **Global and Russian energy sectors**.

Core competencies

- ❖ Availability of proprietary analytical models
- ❖ Work with diverse datasets from Russian sources (such as Rosstat, CDU TEK, RZD) and international statistics (including Refinitiv databases and others)
- ❖ Ability to verify results with relevant international experts

Official website: **www.fief.ru**
Quantitative models: **models.fief.ru**
Telegram channel: **https://t.me/IEFnotes**

Key Research Areas:

- ❖ Forecasting key production and economic indicators for the development of the oil and gas sector in Russia
- ❖ Monitoring the impact of anti-Russian sanctions on the current and future development of the Russian energy sector
- ❖ Analysis and forecasting of the global liquid hydrocarbons market
- ❖ Analysis and forecasting of regional gas markets and the global LNG market
- ❖ Analysis of trends in low-carbon development in global energy and decarbonization policies of foreign countries
- ❖ Scenario analysis of the future development of global energy to identify key trends, as well as risks and opportunities for Russian energy companies
- ❖ Development and analysis of long-term energy planning documents for Russia and EAEU countries

Energy Sector in the Russian Economy

> 20%
National GDP

> 30%
Budget Revenues

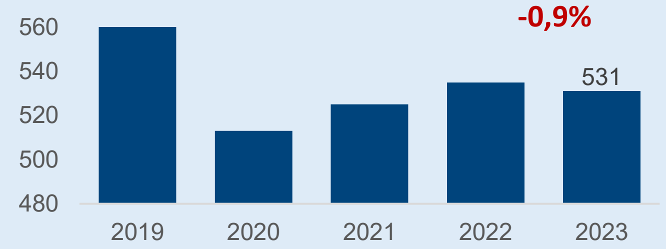
> 60%
Export Value

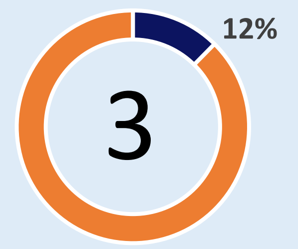
> 2,7
Mln People

> $76 Bln
Investments

Russian Energy Sector in the Global context

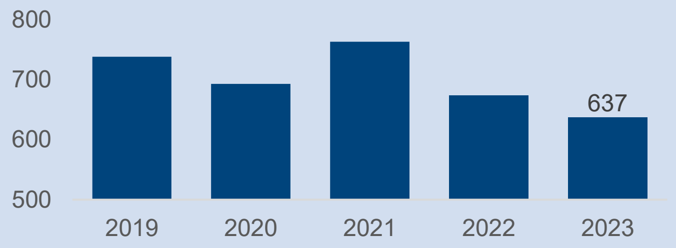
Oil Production, Mt
-0,9%

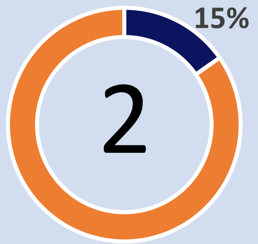




1. US
2. Saudi Arabia
3. **RUSSIA**
4. Canada
5. Iraq

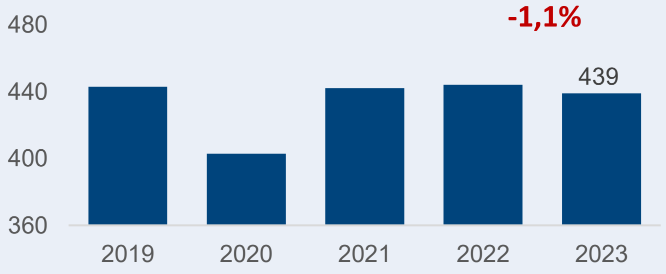
Natural Gas Production, Bcm
-5,5%

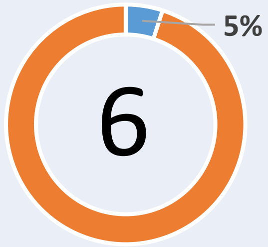




1. US
2. **RUSSIA**
3. Iran
4. China
5. Qatar

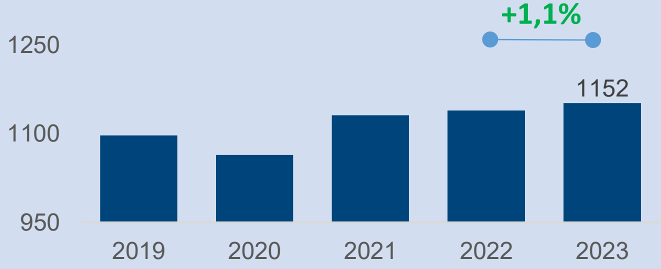
Coal Production, Mt
-1,1%

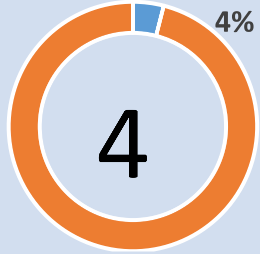




1. China
2. India
3. Indonesia
4. US
5. Australia
6. **RUSSIA**

Electricity Generation, TWh
+1,1%





1. China
2. US
3. India
4. **RUSSIA**
5. Japan

National Energy Objectives

Affordable guaranteed provision of the domestic market with energy products and services and effective realization of the energy export potential

Energy security, technological financial, human resources sovereignty and competitiveness of the Russian energy sector

Greenhouse gas emissions reduction towards carbon neutrality by 2060

National Energy Priorities and Principles

National Energy Priorities

- Priority provision of energy resources to meet the needs of
- Creating maximum added value, deep refining of oil & gas development
- Ensuring a technological, financial, and human resources sovereignty of Energy
- New geography of energy exports

Main Principles

- Economic efficiency of the decisions and actions taken
- Rational combination of state regulation and market-based mechanisms
- Environmental and social responsibility (ESG)

Key Global Challenges

Increased energy market volatility due to the unbalanced climate policies of the EU and G7 countries

Shifting energy demand centers to the Global South, primarily to China and India

Global Energy Mix changes: gradual Coal and Oil substitution by Natural Gas and renewables

Rapid growth of electricity in the global final energy consumption

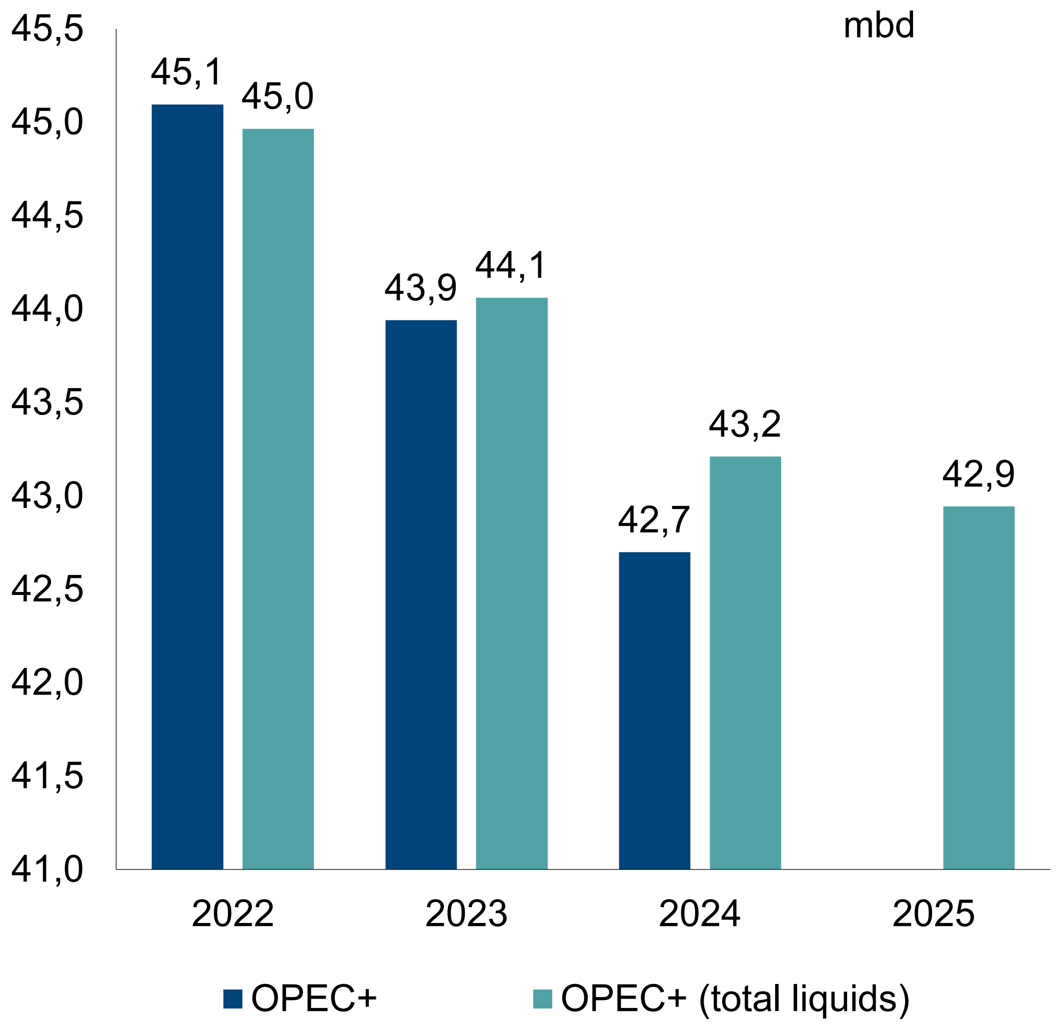
Rapid advances in alternative energy technologies, including the use of hydrogen, carbon capture and storage (CCUS), and recycling

Increased competition in the global energy market due to the emergence of new oil & gas producers and exporters

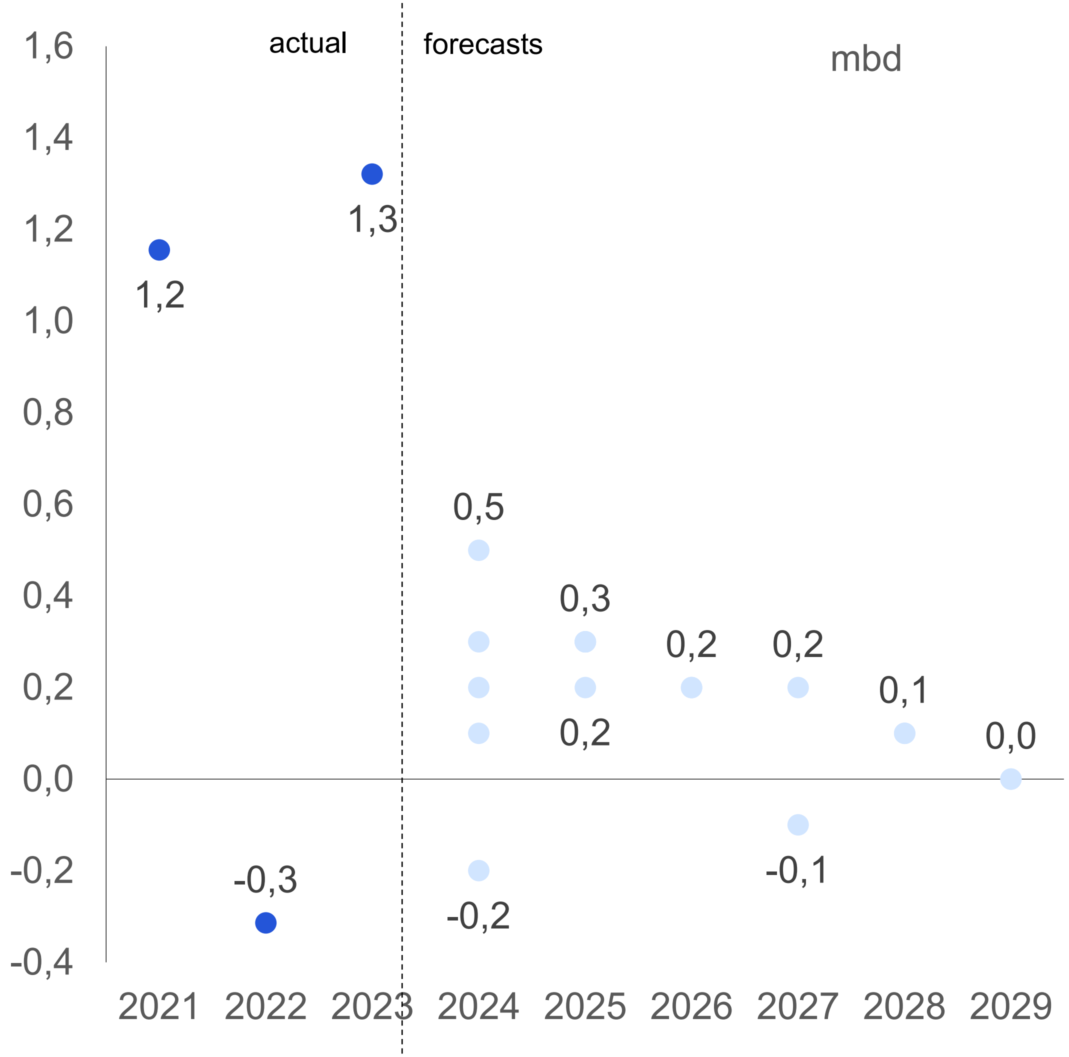
Increasing the cost of energy projects and the required amount of investments to cover future global energy demand

Increased competition with non-OPEC is to come

The global market demand for OPEC+ liquids is expected to decrease by 2 mbd in 2023–2025



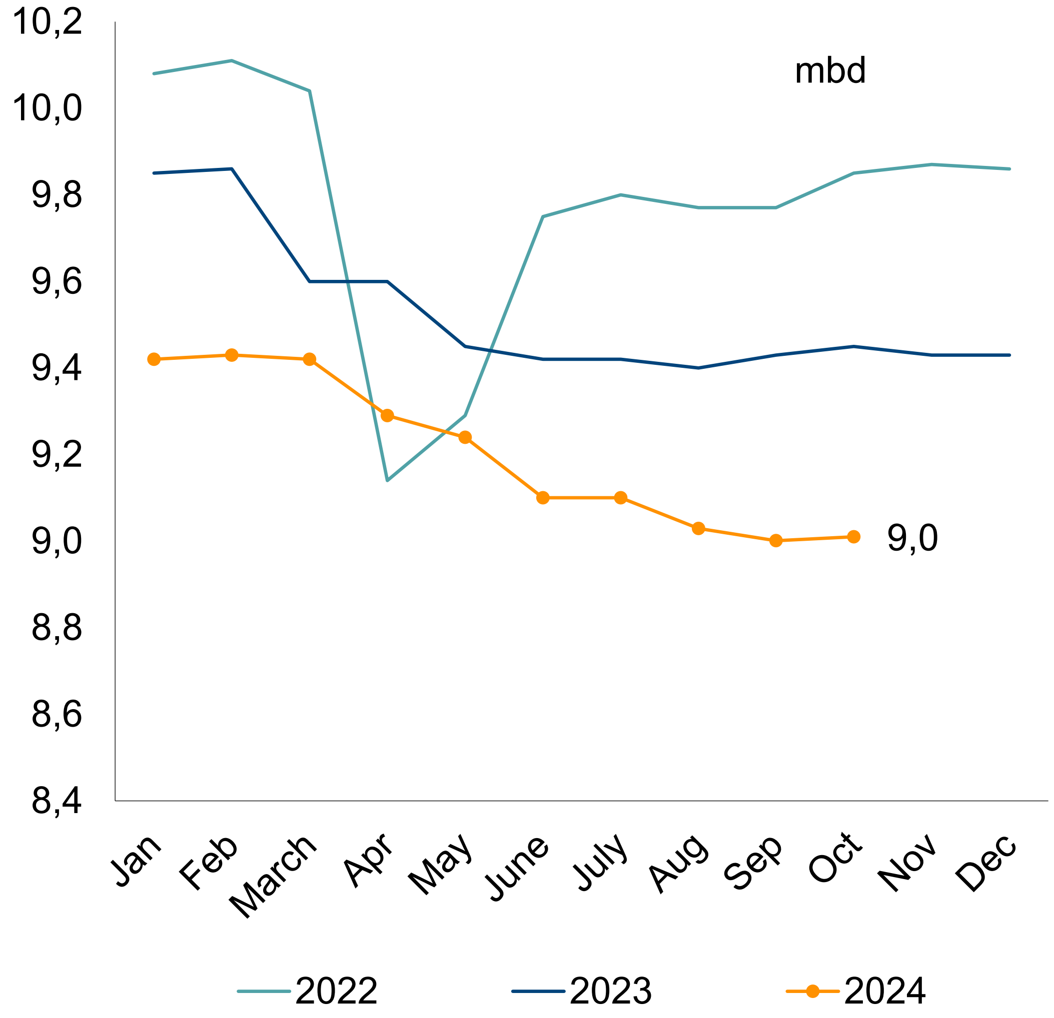
Forecasts indicate a slowdown in the growth of oil demand for LNG in China starting from 2024



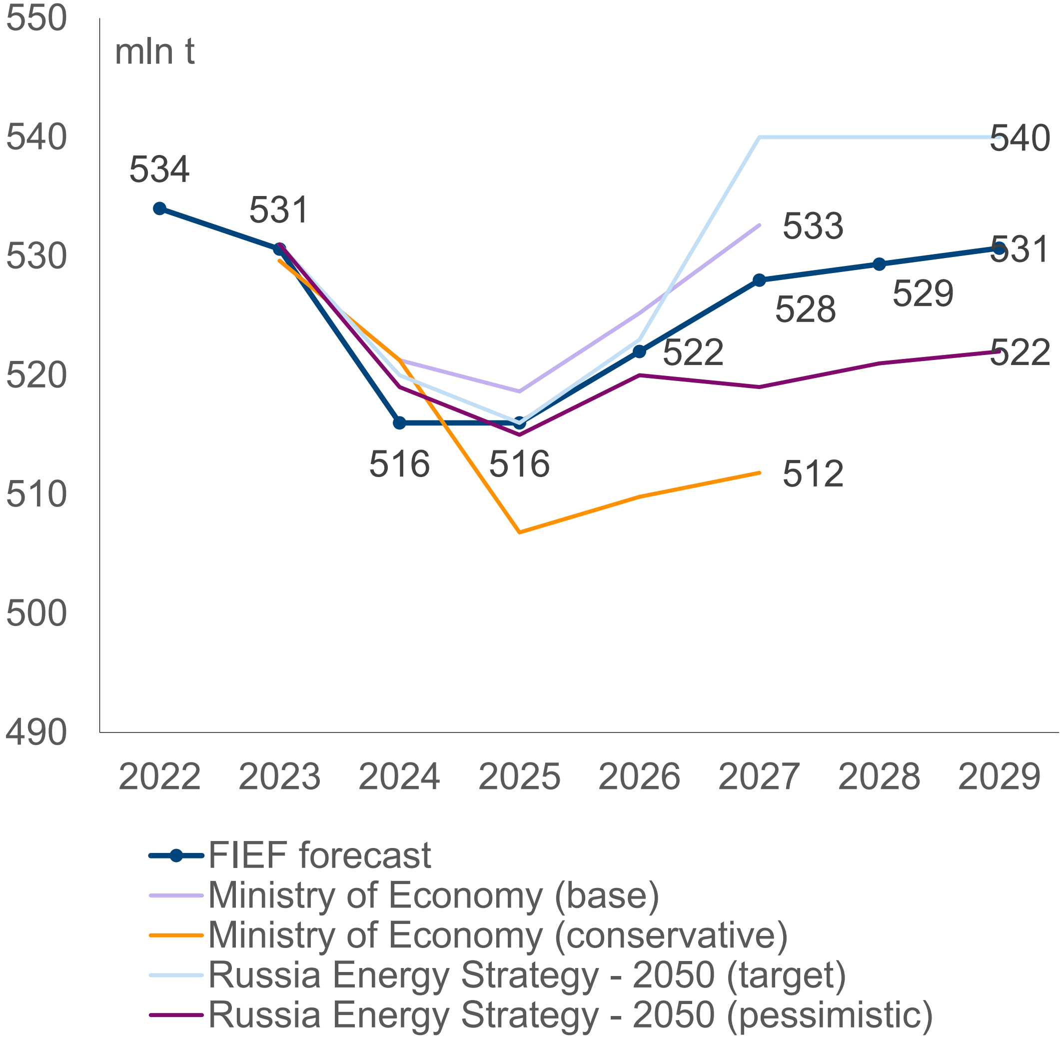
Source: EIA, OPEC, UBS, Goldman Sachs, IEA, JPMorgan, FIEF analysis

Russian oil production is resilient

In September 2024, Russia reached the required OPEC+ crude oil production level



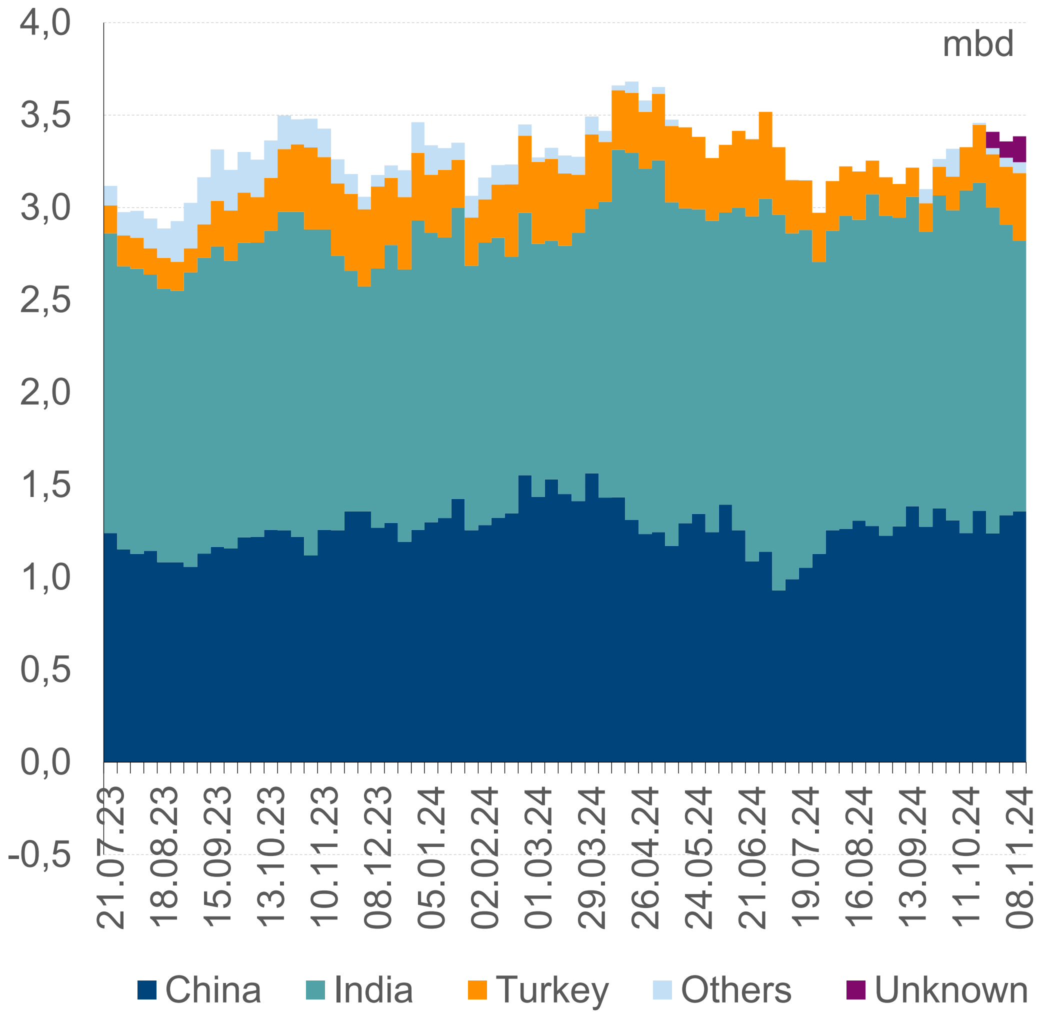
The recovery of Russian oil production will begin only in 2026



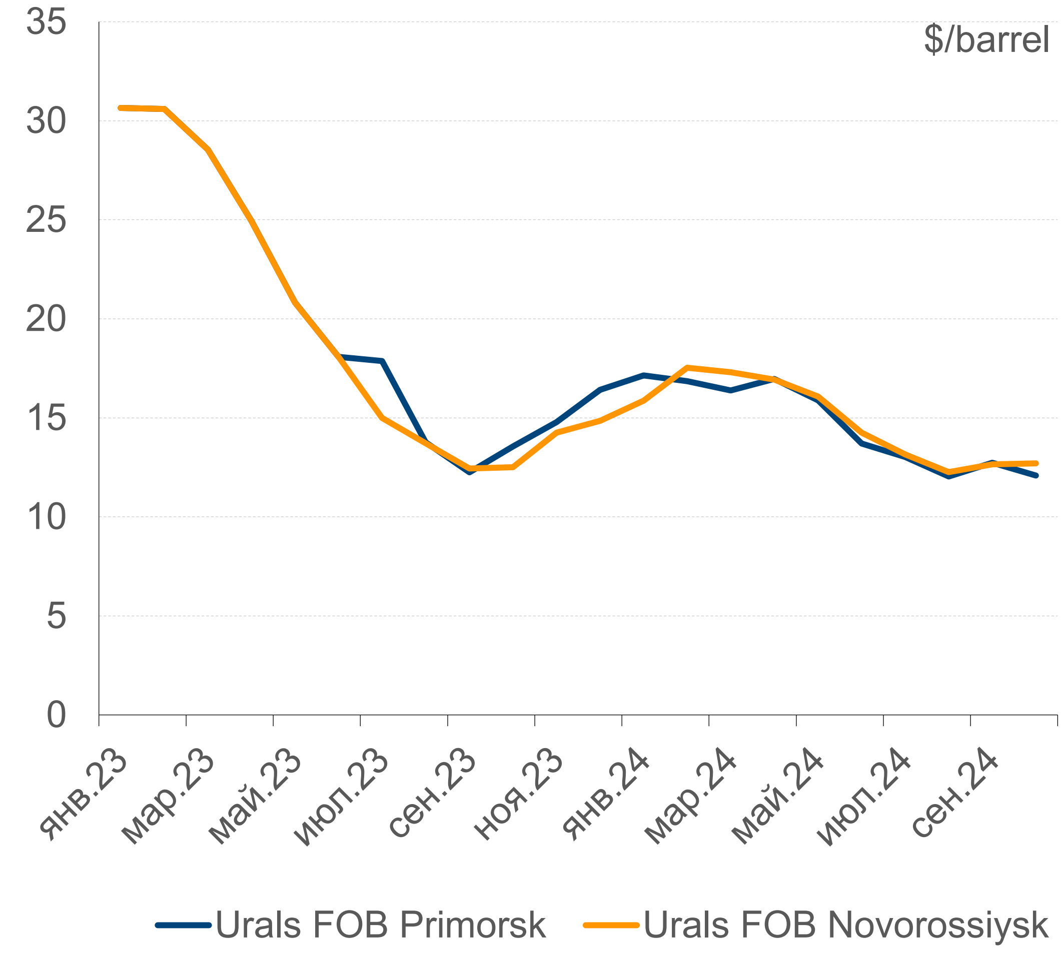
Source: OPEC, Ministry of Energy (Russia), FIEF analysis

Russia's crude oil exports remain stable despite sanctions

China, India, and Turkey purchase 99% of Russia's seaborne oil exports



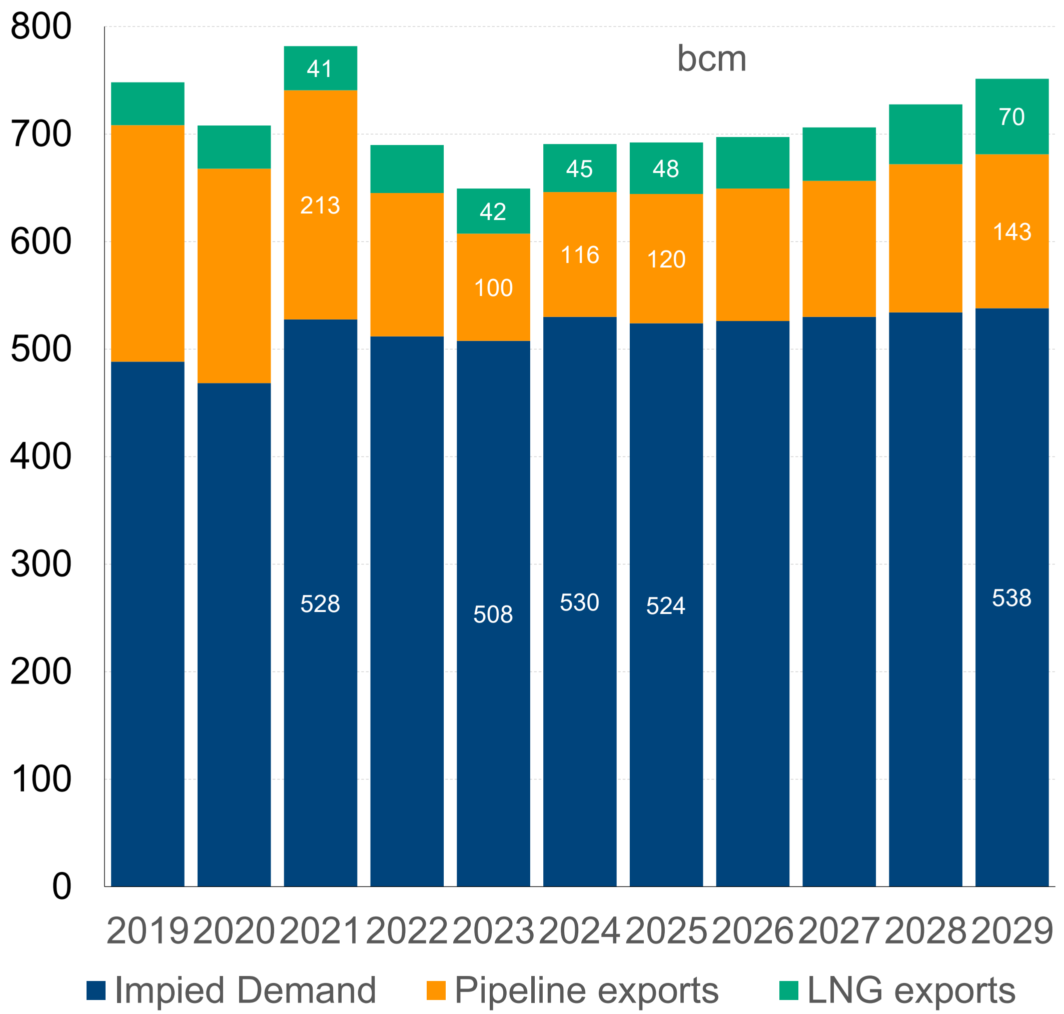
The Urals FOB discounts to Brent decreased by 1.5 times in 2024



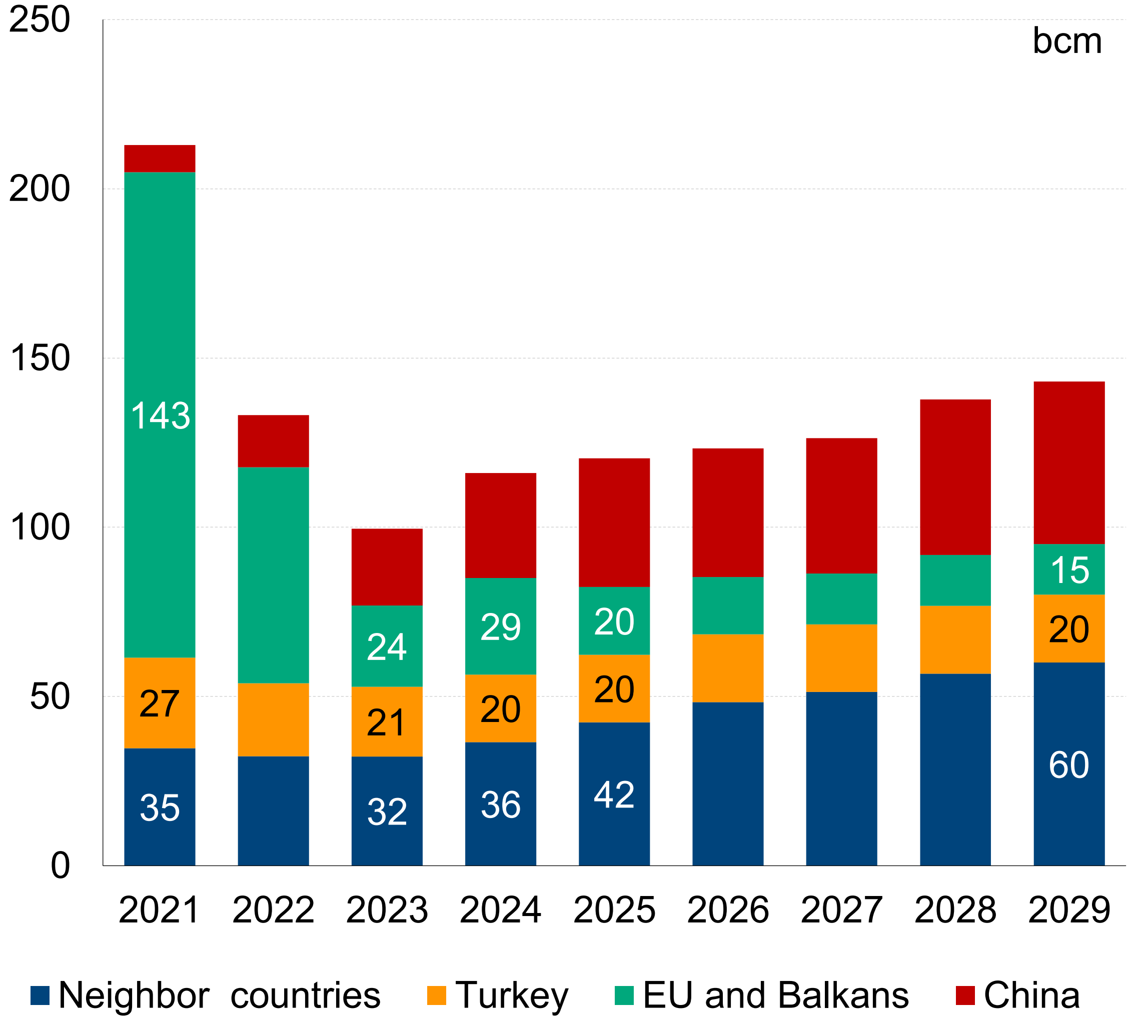
Sources: PBC, Bloomberg, FIEF analysis

Russia's gas production will increase but with lower pace

Exports will account for 74% of the increase in gas production in Russia by 2029



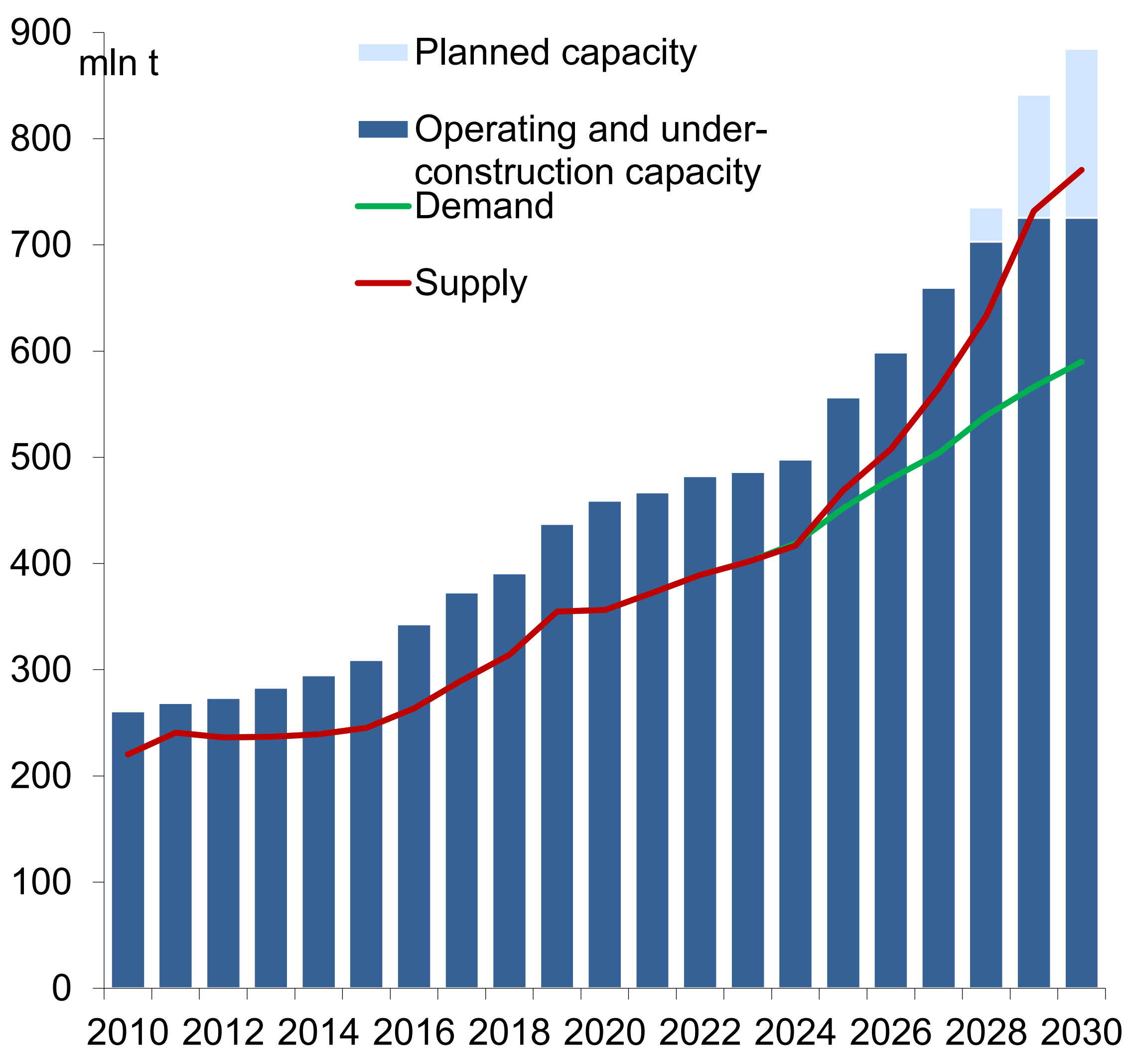
Pipeline gas exports will not reach 2021 levels by 2030



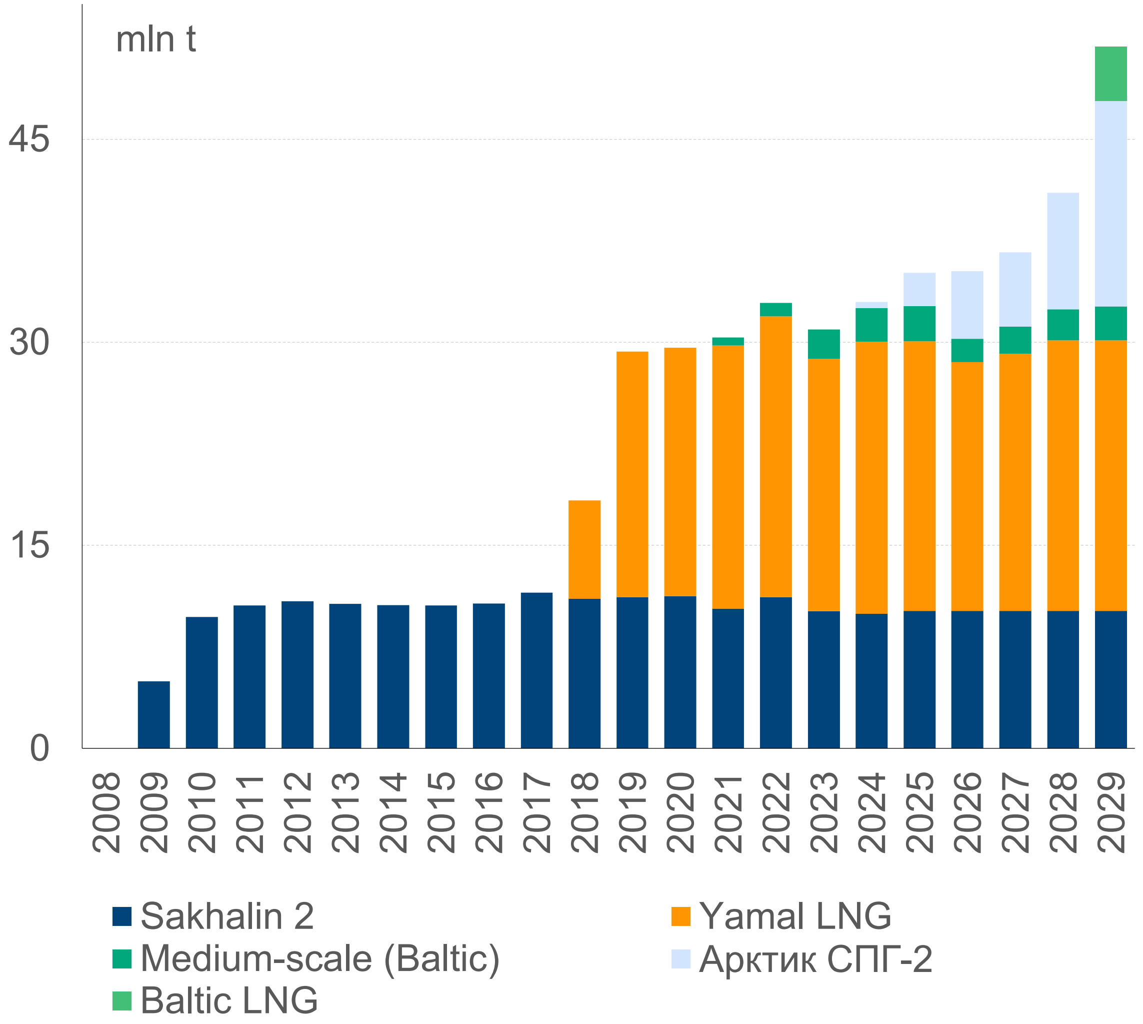
Sources: Gazprom, Rosstat, FIEF analysis and forecasts

Russian LNG is facing headwinds but will develop

Global LNG market will have a supply surplus of 50–60 million tons in 2027–2028



Large LNG projects are being delayed but are supported by domestic technology



Sources: GIIGNL,

Russian Oil & Gas Sector

Key Challenges

- **Growth of demand for oil, petroleum products, gas, at least, up to 2030** against the global underinvestment in production projects
- **Shifting oil, petroleum products and gas demand centers from EU and G7 countries to developed countries, primarily of Global South**
- **Possible falling in global fossil fuel prices** due to the growing competition of oil & gas exporters
- **Increasing role of natural gas as a bridge fuel** for a low-carbon energy transition
- **Increasing the volume of global LNG trade**
- Growing role of natural gas in hydrogen production

National Targets

- **International cooperation to balancing the global oil market (OPEC+)**
- **New Oil & Gas regions development**
- **Export infrastructure development including The Northern Sea Route and NSTC**
- **Providing the needs of the domestic market and guaranteeing the supply of petroleum products to EAEU markets**
- **Deep oil & gas refining to ensure domestic market by own commodity polymers**
- **Gasification and economically efficient satisfaction of domestic gas demand**
- **LNG equipment and LNG fleet development**
- **Ensuring the reasonable inter-fuel competition**

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Thank you for your attention!

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