

Interview Matthias Warnig

'The discussion has surprised me in its fierceness'

Nord Stream is led by Matthias Warnig, former Chairman of the Board of Directors of the Russian subsidiary of Dresdner Bank. Before that he worked for the East German secret service – a background he shares with Vladimir Putin, with whom he is said to be on good terms. EER spoke to him at the company's headquarters in Zug, Switzerland.

| by *Stefan Nicola*

Nord Stream has been under fire since the project was announced, despite being called an important energy security project by the European Commission. Did you expect to have so much opposition?

These days, every large infrastructure project has opponents, critics or even adversaries. That is always the case. But many aspects of the discussion have surprised me in their fierceness. However, it's part of my job to make sure we answer all the open questions, and be assured that we are doing so.

Do you see yourself as a mediator between economy and politics?

No, I don't see myself mainly as a mediator. I have to set the conditions to realize Nord Stream and to make it successful.

The press has criticized the appointment of Gerhard Schröder to head the shareholder's committee. Was his appointment a mistake?

Mr. Schröder, with his extraordinary political experience, helps the project and me personally a great deal with his constructive support. In that regard, he has contributed a great deal to the progress that we have made over the past months. That the press writes about a figure with such a political track record is clear. We can deal with that.

Why does Europe need Nord Stream?

It's a known fact that Europe, because of dwindling domestic resources, desperately needs additional gas imports over the next decade. We need Russian gas not only because of Europe's supply security but also because it is cleaner than coal and therefore important to reduce Europe's CO2 emissions. More and more politicians understand this need for additional gas. That's also why I don't see other projects like South Stream or Nabucco as competition for Nord Stream. We need them all to meet Europe's growing demand.

Nord Stream has also been criticized because there has been little

consultation with the Baltic states beforehand. Do you think problems could have been avoided if there had been more consultation at an earlier stage?

I can't say much about what happened before the foundation of Nord Stream in 2006. But since then, we have contacted or are in contact with all Baltic Sea nations that are directly or indirectly involved in the project. Our experience is that the less you speak about political issues and the more about concrete facts, the easier you achieve a fruitful discussion with all participants.

Then there is of course the difficult permitting process. It's the first pipeline in the Baltic Sea, so it sets a precedent.

Yes, exactly, and I think all parties concerned, Nord Stream as well as our shareholders but also the authorities in the Baltic Sea states are on a learning curve regarding permits. Such a large, transnational project simply didn't exist before. So we are definitely smarter today than we were in early 2006. The data we have today is unique for the Baltic Sea region when it comes to scale and quality, and it should make life easier for future projects.

Does Russia have enough gas, especially for the second string of the pipeline?

Well, supplying Nord Stream with gas is Gazprom's responsibility. We will have a contract with Gazprom under the condition "Ship Or Pay", so as a project company, we are absolutely on the safe side commercially. But at the same time I am convinced that Russia has enough resources to meet domestic and the growing export demand.

Talking about growing demand: Do you foresee additional Russian-European pipeline projects for the future?

I think all investors, interested parties and the EU in particular should now focus on realizing the existing projects. For all of them, not only for Nord Stream, it's still a long way to go until the first cubic meters of gas will be sent to Europe. ■