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Gulf International Forum



THE RUSSIA-UKRAINE WAR

AND QATAR'S EMERGING ENERGY ROLE IN EUROPE

Eugene Chausovsky and Chaouki Ghenai

ABOUT GIF

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EXECUTIVE SUMMARY



Russia's invasion of Ukraine has radically reshaped global energy markets. Perhaps nowhere can the effects of the Russia-Ukraine war better be seen than in Europe, which has long been dependent on Russia for its reliable supply of natural gas. As the war and ensuing international sanctions severed the energy connections between Russia and Europe, fuel prices rose, prompting concerns about the reliability of the region's energy supply.

In the months following the invasion, Qatar has emerged as a significant player in Europe's energy supply, providing enough liquefied natural gas (LNG) to meet the continent's needs and helping to diversify its energy mix. These flows are driven by a number of factors, including long-term supply contracts between EU states and Doha, market dynamics, and geopolitical considerations. As a result of the war in Ukraine, a large "supply gap" has opened in European gas markets, presenting an opportunity for LNG exporters—principally Qatar, Australia, and the United States, which together account for 60% of worldwide LNG trade—to exploit. Due to its strategic location, its ability to rapidly scale production, and its much lower levels of domestic consumption, Qatar has a significant competitive edge over its primary rivals and profits substantially from any increase in the demand for LNG. The enormous natural gas reserves, cheap production, dependable supply infrastructure, and close proximity to important markets provide Qatar an advantage in the LNG industry. When demand for LNG increases, Qatar stands to gain a lot from its strategic investments, government support, and capacity to ramp up production. Because of its prominent role as a supplier of LNG, Qatar will play an increasingly important role as the globe shifts toward greener energy. Indeed, competition between Qatar and the United States in Europe is likely to intensify in the near future. By influencing natural gas markets in Europe, Qatar can expand its role post-Ukraine crisis at Russia's expense—a development that could also give the country greater diplomatic and geopolitical weight in the future globally.

INTRODUCTION

Since the dawn of the Industrial Revolution, energy has played a central role in shaping global geopolitics. This has particularly been the case for Russia, which has tailored its energy strategy over the years in line with its geopolitical strategy—flooding European markets with cheap Siberian gas in order to create economic dependency on the Kremlin. Prior to its invasion of Ukraine, Russia often used this tool to its advantage, cutting gas supplies to some European countries to criticize adversarial policies and increasing them to reward Russia-friendly ones.

For years, European states—most notably Germany—hoped to keep geopolitical tensions and energy policies disentangled. In light of Russia's invasion of Ukraine, however, many Western powers have come to increasingly view energy in geopolitical terms.

In spite of the immense cost to its own short-term well-being, the EU joined the United States in sanctioning Russia's energy sector in 2022. At the same time, both the EU and Ukraine have diversified their energy relationships and decarbonized their economies to mitigate Russian efforts to use energy as a geopolitical weapon.

These trends have combined to create a significant opening for Qatar from both an energy and broader geopolitical perspective. As a result of the Ukraine conflict, Qatar has emerged as a major energy player in Europe's natural gas sector, allowing it to increase its economic weight—and to translate its new energy partnerships into greater diplomatic and strategic influence on the continent and beyond.





Moscow Kremlin

Russia's Use of Energy as a Geopolitical Weapon in Europe

As one of the world's leading producers and exporters of oil and natural gas, Russia has long relied on its energy sector as a pillar of its economic strength and power projection both at home and abroad. State energy firms like Gazprom and Rosneft serve as some of the largest and most powerful Russian firms, with energy exports making up around half of Russia's total budget revenues. Such energy revenues have not only fueled Russia's military interventions in countries like Ukraine and Georgia, but Moscow has also used energy directly in its foreign policy, including politically motivated cutoffs of oil and natural gas to rivals that the Kremlin deems unfriendly. To understand Moscow's use of energy for geopolitical goals, it is important to first identify the three broad interests the state hopes to advance through its energy strategy:

1. achieving domestic political stability;
2. establishing protection from external powers by securing its periphery; and
3. expanding the state's international influence, both within its immediate sphere of influence and globally.

Such objectives have been consistent throughout Russia's modern history, though the degree to which various Russian governments have accomplished them has fluctuated. At every stage, domestic and global energy dynamics have shaped the state's decision-making behavior.

This trend is no different for the current government, led by President Vladimir Putin. The rise of global energy prices over the course of the 2000s contributed significantly to Putin's political power. With oil prices sometimes reaching well over $100 per barrel, the Kremlin enjoyed an influx of government revenues that empowered Moscow to bring about economic stability and growth, allowing Russia to recover from the depression of the 1990s and bring the country's standard of living to roughly European levels. Beneath the surface, the influx of easy money also led to a flourishing in corruption; Putin used government resources to buy off Russia's oligarchs, establishing the unwritten agreement by which they would continue to grow rich in return for nonparticipation in politics and loyalty to his government.

After consolidating power domestically, Putin set his sights on Russia's second imperative: securing the former Soviet periphery. While there was little that Russia could do to stop EU and NATO's eastward expansion in the early post-Soviet era, by the mid-2000s the country found itself in a position of strength. Putin began operating the energy sector as a "tool for geopolitical leverage" to undermine the pro-Western governments of Central and Eastern Europe. Natural gas was especially potent as a geopolitical weapon for Moscow, due to its pipeline-dependent delivery structure and heavy European reliance during the winter months. The gas reserves themselves, as well as most of the pipeline infrastructure, lay in Russia, giving Moscow the ultimate say

The implicit threat to neighboring countries was clear: with some countries in Central and Eastern Europe importing all of their natural gas from Russia, they had to tread carefully not to cross the Kremlin.

Through occasional disputes with European nations, Russia fine-tuned its strategy of selectively manipulating natural gas supplies to Western-oriented governments in countries like Ukraine. Gazprom's dominance of the European energy market likewise allowed it to negotiate favorable long-term contracts, including provision such as "take-or-pay clauses," a special contract provision which obliged European states to pay for a certain amount of gas even if they did not use or purchase it all. Russia could strategically charge higher prices to so-called "unfriendly" governments, such as the strongly pro-EU, anti-Russia Lithuania, while offering price discounts to Russophilic states such as Belarus. After Viktor Yanukovych, a strong Kremlin ally, came to power in Ukraine in 2010, the Kremlin immediately decreased gas prices for the country, improving the country's economy and giving Yanukovych an early boost of support. Russia also exploited internal divisions within the EU to strengthen its economic and political position on the continent and regain its position as a major regional power, simultaneously advancing the third component of Moscow's geopolitical imperatives.

Energy was not the only geopolitical tool that Russia used abroad. Indeed, as Moscow used gas as a weapon with increasing frequency in the 2000s and 2010s, Western states reacted by slowly weaning themselves off of Russian hydrocarbons. These developments came as Russia's foreign policy became increasingly bellicose and anti-European in character; the decisive break came in 2014, when Russia invaded Ukraine's Crimean Peninsula and annexed it in a transparently fraudulent referendum, leading to widespread condemnation in Europe. These events, along with Russia's politically motivated energy practices, created great alarm in Europe and the United States. As a result, the West sought to collectively challenge Russia's grip on Europe's energy supply and, more broadly, its rise as a regional power. Since the full-scale Russian invasion of Ukraine in February 2022, the EU has accelerated efforts to diversify its natural gas imports, outreaching producers like Qatar in the process.The member states also passed the Third Energy Package to separate transport and supply control, separate



transport and supply control, separate the control of transport of energy and the supplier of that energy, while the United States and the EU each passed extensive sanctions packages against Russia, including its energy industry. The growth of U.S. shale production has transformed Washington into a major exporter of natural gas, while the growing use of LNG terminals has empowered European countries like Lithuania and Poland to diversify their suppliers beyond Russia. Facing stiff international competition for the first time in decades, Russia lost its ability to single-handedly determine gas and oil contracts with Europe, decreasing its influence on the continent.

Much as Russia's aggression provoked changes in European energy strategy, it has also altered the Kremlin's behavior. Due to the EU's new energy partnerships further afield and sanctions on Russian oil, Russia's gas exports to Europe have dramatically decreased—with negative economic consequences for Russia as well as Europe. In order to maintain government revenue, Russia has quietly worked to maintain some level of export to the European Union through existing pipelines. At the same time, it has recognized its own vulnerability to a demand shock from Europe and has worked to diversify its energy partners, seeking new markets to the south and east.The Kremlin appears to have been clear-eyed that relying on Europe as its dominant export market would prove



risky in the long run.As late as 2019, EU countries accounted for 80 percent of Russia's natural gas exports, with about half of total Russian energy exports going to only one country, Germany. In the wake of Russia's invasion of Ukraine, Germany altogether ceased imports of Russian gas. Fortunately for Russia, a new customer emerged, with China quickly snapping up excess supply. Kinks in the supply chain early on—including the lack of a sophisticated pipeline network between Russia and China similar to its connections to Europe—have been improved or sidestepped through alternative means of export.

Over the course of the 2000s, China energy consumption skyrocketed, mirroring its breakneck economic growth. Russia's proximity to China and its sizable natural gas reserves in Eastern Siberia made it an attractive energy supplier for Beijing, just as the two countries became increasingly aligned on other geopolitical issues. In May 2014, as the United States and the EU began to ramp up sanctions against Russia over its invasion and annexation of Crimea, Moscow signed a $400 billion natural gas contract with China for an annual supply of 38 billion cubic meters over 30 years. Russia and China subsequently constructed the "Power of Siberia" natural gas pipeline, which began operations at the end of 2019.

In addition to increasing its energy relationship with China, Russia has pursued other measures in line with its evolving energy strategy.

Since 2014, the country has sought to diminish the role that Ukraine traditionally played as a major transit state for Russian natural gas exports to Europe. Instead, Moscow signed natural gas pipeline deals like Nord Stream 2 with Germany and Turk Stream with Türkiye. These new pipelines were primarily intended to deprive Ukraine of transit fees and leverage, but they also fostered divisions within Europe. Many European states, particularly the former Soviet bloc states in the east, disagreed with Germany's decision to pursue closer energy ties to Russia, reasoning that doing so would give the Kremlin greater leverage over German foreign policy.

Russia's full-scale invasion of Ukraine on February 24, 2022, prompted an acceleration of trends in global energy markets that had been gaining pace over the past decade. After Russian troops poured across the border, the United States and the European Union intensified sanctions against the Russian energy sector, while canceling gas and oil projects with Russia. Nord Stream 2, which had been completed but not yet activated, was shelved (and later blown up by unknown saboteurs). Similarly, the EU doubled down on its strategy of diversifying away from Russia, seeking to phase out all oil supplies by the end of 2022 and all natural gas supplies from Russia by 2027. To this end, finding new suppliers to fill the void left by Russian gas was an essential step.



Qatar's Emergence as a Major Energy Player



Qatar is well positioned to dominate the future of LNG. With control over 12.5 percent of global reserves, Doha has poured roughly $30 billion into LNG production facilities. As global demand for LNG grows, Qatar can easily increase its production capacity by 43 percent in the next three years alone. As the European Union (EU) searches for alternatives to Russian gas, the conflict between Russia and Ukraine has resulted in a huge increase in the amount of LNG that Qatar ships to Europe. As a result of Qatar's vast natural gas reserves, efficient LNG export infrastructure, and the capacity to rapidly scale up production, the country has emerged as an essential energy partner for Europe. Qatar's position as a key supplier during this energy transition has been solidified as a result of a mix of factors, including long-term supply contracts, flexible sales methods, and improved LNG infrastructure in Europe. Qatar is able to reap significant benefits as a consequence of the increased demand for LNG and Europe's transition away from relying on Russian energy.

Because Qatar can so rapidly invest in and scale up its LNG production to meet demand, it holds a significant competitive edge over other gas exporters when making deals in the European market.

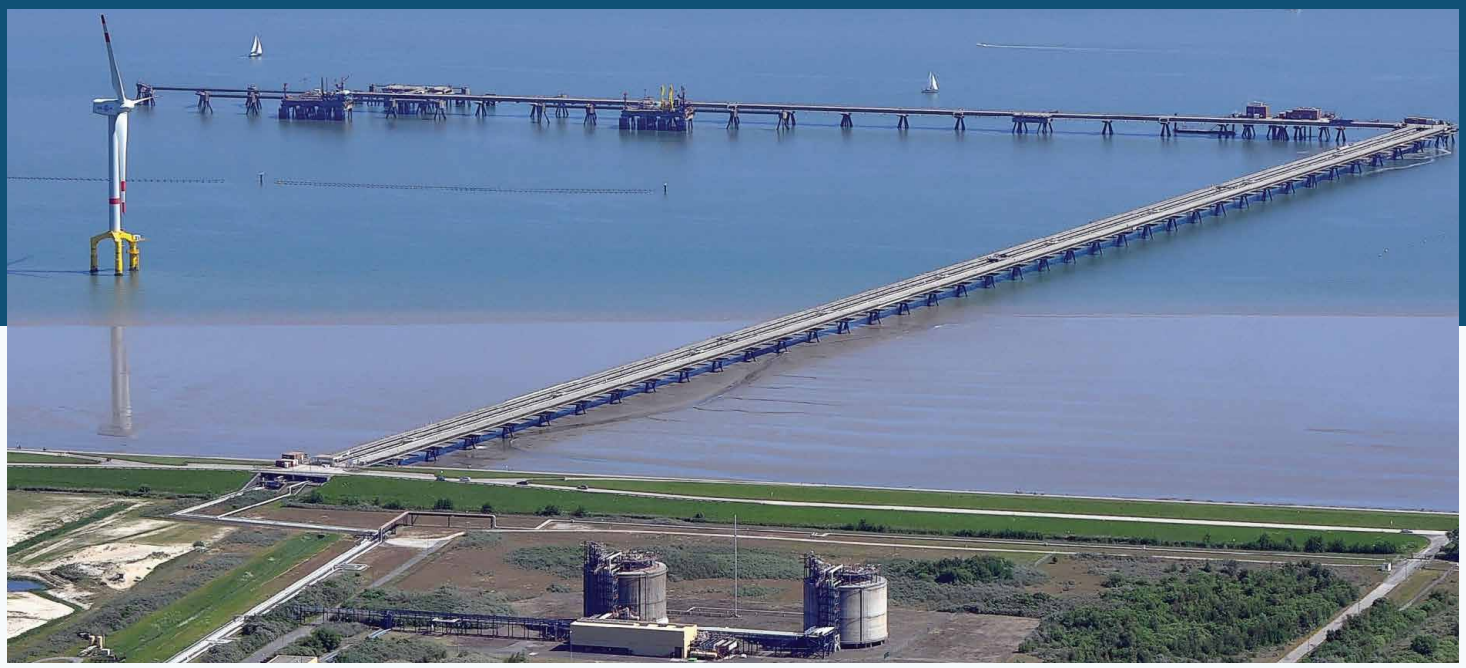
Qatar is implementing a massive long-term expansion plan in the North Field, expending tens of billions of dollars in the process. The current state of the market and the geopolitical landscape gives Qatar a more powerful negotiating position as it prepares to enter into discussions with its Asian and European partners on long-term LNG contracts. Steep increases in the price of fuel in the EU have prompted worries about the reliability of the region's energy supply. In the first two weeks after the invasion, oil, coal, and petrol prices respectively increased by 40 percent, 130 percent, and 180 percent. Although the prices have since stabilized at a lower level as Europe has successfully sought alternative suppliers, they remain higher than pre-war Russian rates, even in the countries that continue to purchase gas from Russia. To maintain a reliable energy supply at reasonable prices, EU member states have worked together to embrace renewable sources of energy and gas and oil providers.

Global LNG Market Dynamics and Long-Term Contracts

The global market for LNG is affected by a variety of factors beyond typical supply and demand, including developments in infrastructure (such as the availability of LNG terminals) and geopolitical disruptions. Long-term contracts for the sale and purchase of LNG typically involve specific terms and conditions negotiated between the two parties to the transaction well in advance of the delivery. Qatari LNG contracts are often long-term, ranging from 10 to 25 years or more. The benefits of these long-term contracts are clear: they provide stability and security to both buyer and seller, giving the seller a guaranteed market and the buyer a constant and reliable supply. The pricing terms may be connected to a number of benchmarks, such as current oil prices or an index of gas prices, and the contracts may include both fixed and variable price components.

"Accept-or-pay provisions," which state that the buyer must either accept a certain minimum volume of LNG or pay for it, are included in many LNG contracts, irrespective of whether the customer actually imports the agreed-upon amount. LNG cargoes may also be prohibited from being resold or redirected through "destination clauses." Provisions for periodic renegotiation may be included in certain contracts in order to account for shifting conditions in the market.

DATA ANALYSIS



The Growth of European LNG Imports

Transformational changes are occurring within the LNG industry around the world. More private and state-owned companies are joining the market, while competition among customers in Europe and Asia is also heating up. These factors contribute to volatile prices, but a careful review of past and present trends may assist policymakers with navigating the difficulties of LNG markets.

The global LNG market is divided into three distinct segments: infrastructure (liquefaction plants, regasification facilities, and shipping), commercial relationships, and geography. Revenue projections for the LNG industry climb into the billions of dollars for each of the aforementioned segments. According to an analysis published by the International Energy Forum (IEF) on November 15, 2023, the global LNG trade is projected to increase by an additional 25 percent to reach 500 million tons per annum in the next five years (by 2028). Meanwhile, new customers and producers are entering the market; China surpassed Japan to become the largest LNG importer in the world in 2021, while the United States became the leading LNG exporter in 2023. Around the world, the demand for LNG has reached new heights, and it continues to be a driving force behind economic growth and a guarantor of energy security all over the world. As a result of its versatility, LNG imports were able to mitigate the extent of Europe's post-Ukraine energy crisis, and in Asia, LNG forms an essential component of the blend of energy sources.

As this work has consistently shown, the Russian invasion of Ukraine had a major impact on the global energy market. Following the Russian invasion of Ukraine and the subsequent severing of its European energy contracts, the volume of its total natural gas production declined by almost 84 billion cubic meters, reaching 618.4 billion cubic meters—a 13 percent drop from the previous year. Additionally, Moscow's customer base shrank drastically; every one of the 27 EU member states slashed their gas imports from Russia, with LNG from the United States and the Middle East filling the gap. As a result of Europe's soaring demand, worldwide LNG prices skyrocketed, encouraging new producers to enter the market and existing producers to invest in their export capacity. More than two years after the beginning of the Russia-Ukraine war, LNG has become an essential component of Europe's

energy mix, serving as a "baseload," or the minimum amount of power that is needed for a full day, of reliable electricity at all hours while weather-dependent renewable sources (e.g. solar, wind) are not in use.

As a result of sustained, robust demand and rising geopolitical risk, LNG markets remain fragile, despite their expansion in recent years. A major obstacle is that the reliability of the European Union's gas supply is susceptible to the inconsistencies of the weather, as colder temperatures increase the need for natural gas as a heating source. Increasing demand for LNG in China and Japan also drives up prices for European customers. The impact of supply disruptions and unpredictable price fluctuations on developing economies should not be discounted, either. Fuel shortages in lower-income states, and a rise in the usage of carbon-intensive fuels caused by an absence of inexpensive natural gas, has likewise contributed to higher carbon emissions around the world. Some studies predict a decline in gas consumption across Europe as nations work towards net-zero energy targets.

Based on the recent LNG report from the Institute for Energy Economics and Financial Analysis, the European Union (EU27) with Türkiye and the United Kingdom made a combined purchase of around 167 billion cubic meters of liquefied natural gas (LNG) in 2023, as shown in Figure 1. This represents a remarkable 51.2 percent year-on-year increase over 2021. It is also important to note that since the beginning of the war, Russia has continued to supply Europe with natural gas at a steady—albeit much lower—rate; in the years 2022 and 2023, it provided 19.40 and 19.47 billion metric tons, respectively. Between January 2022 and December 2023, European member states spent approximately $185 billion on all LNG imports. Within this larger figure, $80 billion was allocated for LNG imports from the United States, $25.5 billions from Russia and Qatar, $11.5 billion billion from Algeria, $7.8 billion from Nigeria, $7 billion from Norway, $7 billion from Angola, and the rest from a basket of other, smaller natural gas exporters.

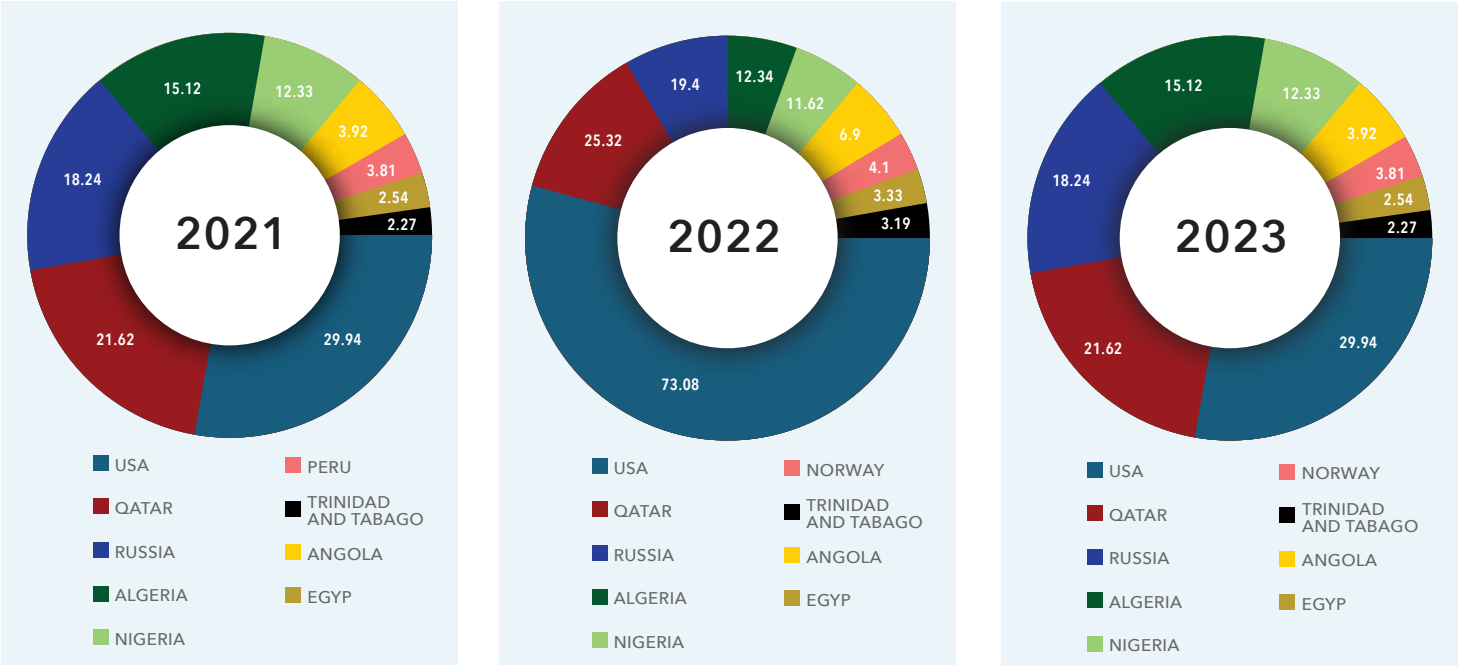
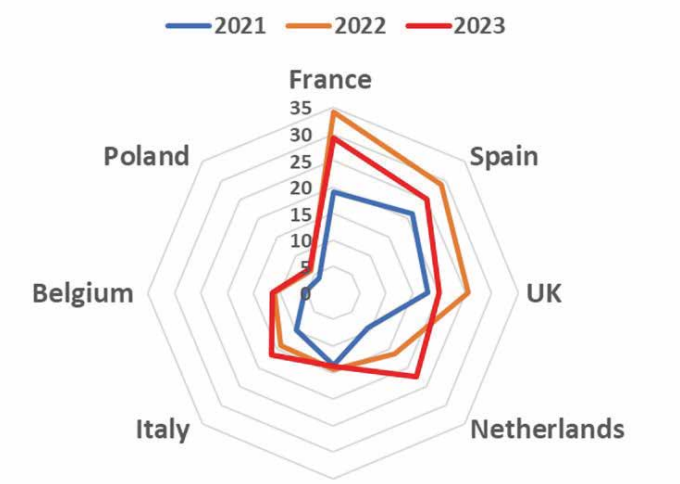


Figure 1 Source of Top European Countries LNG Import (Billion Cubic Meters)

Figure 2 shows the top European LNG importers for the years 2021, 2022, and 2023. France, Spain, Netherlands, the UK, and Italy represent the top five European LNG-importing countries in 2023, with 29.31, 25.03, 22.30, 19.98, and 16.51 billion cubic meters, respectively.

Qatar is the second largest exporter of LNG to Europe behind the United States, having provided the continent with 21.62, 25.32, and 20.18 billion cubic meters of supply from 2022-2024. The LNG shipped from Qatar to Europe increased by 17.11% in 2022 compared to 2021, primarily as a result of the Russian invasion of Ukraine. In 2023, a total of 20.18 billion cubic meters of Qatari LNG was sent to Europe; 6.51 bcm went to Italy, 4.31 bcm to Belgium, and 2.70 bcm to the UK. Figure 3 shows the top European destination of Qatar LNG, measured in bcm, from 2021 to 2023.

In 2022 and in the wake of the Russia-Ukraine war, the United Kingdom, Italy and Belgium were the top three destinations of Qatar LNG with respectively 7.45, 6.31 and 5.72 bcm. The share of Qatar LNG from the total imported LNG for the top European destination is shown in Figure 4. In 2022 for example, Belgium, Italy, and Poland reported the highest share of Qatar LNG, with respectively 51.20, 45.07, and 37.21% of the total imported LNG.





Mesaieed Industrial Area also known as (Umm Sa'id Industrial Area) is an industrial area in Al Wakrah Municipality in Qatar

Figure 3 Top European Countries Destination from Qatar LNG (Billion Cubic Meters).

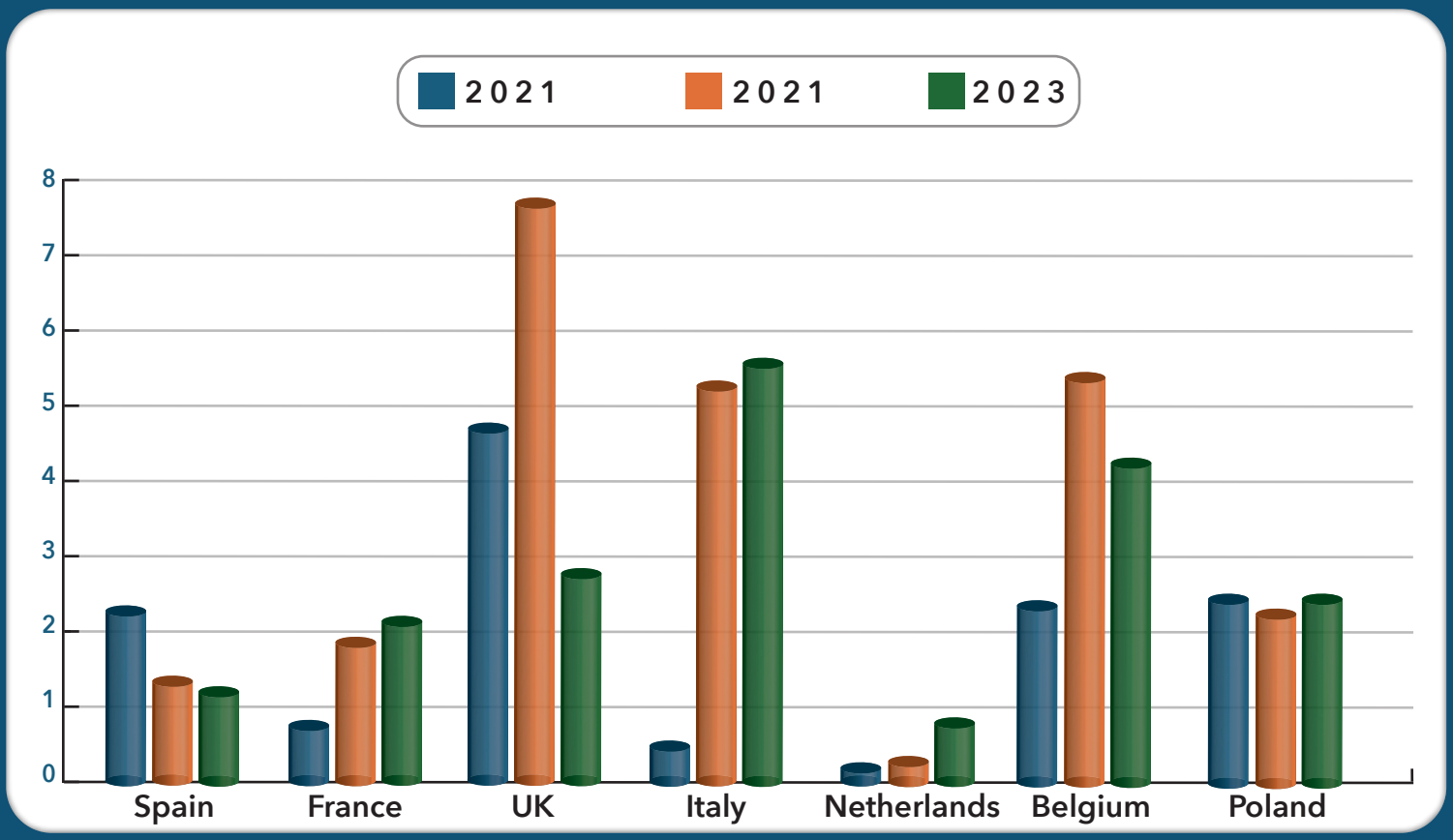
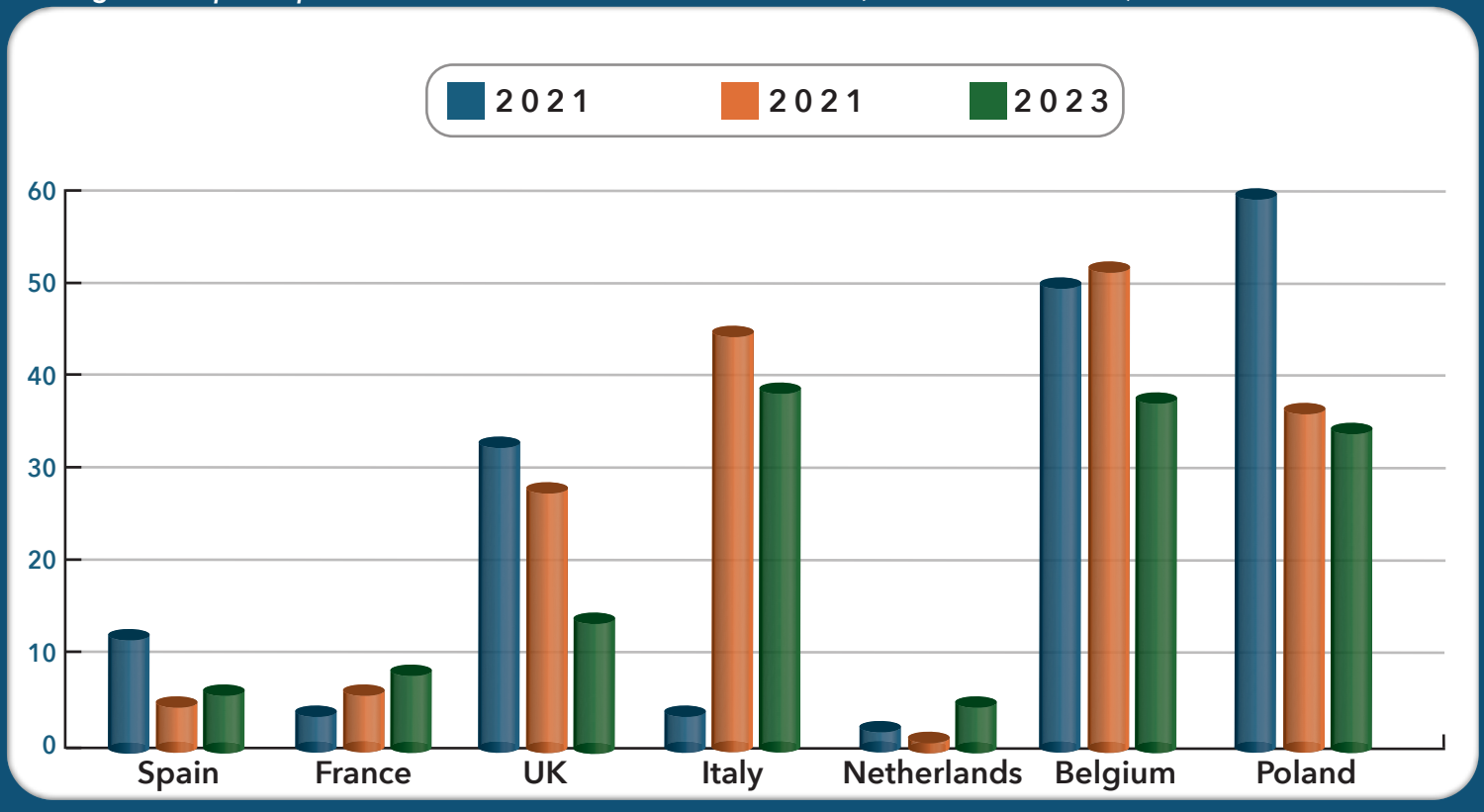


Figure 3 Top European Countries Destination from Qatar LNG (Billion Cubic Meters).



Qatar and Europe's Energy Outlook

The data reported in Figure 1 shows also that there is a competition between the United States and Qatar to assist Europe in replacing the loss of Russian gas. America jumped out to an early lead, but Qatar's total market share is growing. Before the start of the war in February 2022, EU member states obtained about 40 percent of their gas supply from Russia, though this varied significantly by country. Qatar, historically the leading LNG exporter in the world, traditionally exported to the Asian market, but with the onset of the Russia-Ukraine war, Qatar has intensified its efforts on signing long term contracts with European countries. It has also faced stiffening competition from alternative suppliers, notably the United States (which surpassed it in total LNG exports last year) but also developing countries now with the means to invest in their own LNG production.

Moreover, the EU's long-term contracts with Qatar for LNG supply unquestionably conflict with its stated objective of achieving net zero emissions by the year 2050. These contracts commit European states to buy future LNG production, in line with Qatar's initiative to increase its capacity, even as European nations are increasingly concerned about the climate crisis and seek to develop alternative sources of cleaner energy. By 2028, Qatar's export capacity will increase to 48 metric tonnes per annum (mtpa) and raise the entire yearly production capacity of Qatar to 126 million tons, portending a significant increase in global emissions. To supply Germany with liquefied natural gas, Qatar Energy has entered into two 15-year sales and purchase agreements with ConocoPhillips. Doha also brokered an agreement to supply Shell, the Total Energies, and Italy's ENI for the next 27 years—a clear commitment by major European energy companies to rely on fossil fuels beyond 2050.

Table 1. Long Term Contracts for LNG Qatar Supplies to Europe.

SELLER COUNTRY	BUYER COUNTRY	ENERGY COMPANY	DEAL DURATION (years)	AMOUNT (Mtpa)	PORT OF DELIVERY LNG Terminal	EXPECTED STARTING DATE
Qatar	Netherlands	Shell	27	3.5	Port of Rotterdam	2026
Qatar	France	Total Energies	27	3.5	Port Fos Cavaou Bouches-du-Rhône	2026
Qatar	Germany	Conoco Phillips	15	2.0	Brunsbüttel Port	2026
Qatar	Italy	Eni	27	1.0	FSRU, Piombino	2026



Implications and Policy Recommendations

As a result of Russia's invasion of Ukraine, Qatar has increased its supplies of LNG to Europe, which has a wide range of ramifications for energy security, geopolitical, and economic policy. Qatar must strike a balance between its growing market presence and its long-term aims of economic diversification and environmental sustainability as it develops its role as a global supplier of LNG. During the short- to medium-term, Qatar's LNG is a vital lifeline for Europe; nevertheless, the European Union (EU) must continue to place its emphasis on the development of renewable energy sources in order to guarantee energy independence and security over the long term. Both the energy and geopolitical landscapes will be influenced for many years to come as a result of the strategic energy alliance between Qatar and Europe.

It is crucial for Europe to continuously maintain a broad energy portfolio:

- Expand LNG infrastructure: European countries should keep pouring money into LNG import infrastructure like regasification terminals and storage facilities so they can be sure they'll have gas in the future and be able to choose from a variety of providers.
- Build strategic alliances with LNG suppliers: To ensure a diverse and secure natural gas supply chain, Europe should continue to partner with Qatar and other LNG suppliers including the U.S., Algeria, Nigeria and Australia.
- Expand the use of renewable energy sources: While liquefied natural gas (LNG) offers energy stability in the near and medium term, Europe has to up its investment in renewable energy (solar, wind, and hydro) and storage technology. In the long run, this will lessen the need to import fossil fuels, such as LNG.
- Accelerate the development of green hydrogen: Hydrogen is seen as an essential component of the clean energy program for the European Union. A clear alternative fuel plan or path needs to be developed with the objective of accelerating the development of green hydrogen derived from renewable sources in order to incorporate it into the energy supply of the region. Europe should boost regional and international collaborations to produce and import green hydrogen to meet its long-term climate goals and reduce fossil fuel use.

In addition to promoting energy-saving measures, Europe needs to successfully negotiate advantageous long-term contracts for LNG:

- **Long-term LNG contracts with flexibility:** To ensure reliable supply, European countries should contract with Qatar. They could also incorporate flexible terms like partial spot market pricing or ramping up or down based on renewable energy availability in these contracts.
- **Encourage energy efficiency measures:** In order to reduce the amount of natural gas that is consumed, Europe should prioritize energy efficiency programs that are implemented in businesses, buildings, and transportation. A reduction in the demand for energy will assist in bringing prices down and will aid in reducing reliance on the importation of fossil fuels.

It is imperative that Qatar expand and diversify its energy infrastructure:

- **Accelerate LNG capacity expansion:** Qatar should invest in LNG production to fulfill rising global demand, especially with long-term European contracts. As LNG suppliers like the U.S. and Australia increase production, the Qatari North Field project may require more capacity to stay competitive. Qatar's projected expansion of liquefied natural gas (LNG) production may result in the country controlling about 25 percent of the worldwide market by the year 2030. This would provide Qatar with the ability to push out competing projects, including those in the United States, where President Biden has expressed reluctance about the growth of the LNG industry.
- **It is of the utmost importance that Qatar asserts its supremacy in the market and works to ensure that there is a consistent demand for its exports.** Qatar should not necessarily target the European market to the exclusion of other markets; while gas demand in Europe is presently at its highest, it is projected to stay stable or even fall in the years ahead, following the resolution of the situation in Ukraine and the development of greener energy sources.
- **Increase investment in green hydrogen and green energy:** To stay relevant in a low-carbon future, Qatar should invest in hydrogen and green energy to move toward decarbonization. This would diversify exports beyond LNG and position the country as a future energy leader.





Helicopter image to extract gas from Halul Island, Doha, Qatar

The economic diversification of Qatar must be increased to its fullest potential:

- **Diversification of the economy with LNG revenues**: Qatar should use the financial windfall that comes from greater LNG exports to fund its Vision 2030 projects, which are focused at reducing dependency on hydrocarbons. This will allow Qatar to diversify its economy with LNG revenues. Among these are investments in sectors such as the financial sector, tourism, education, and health care, which ensures economic stability over the long term beyond the exportation of energy.

- **Investments in research and development**: Qatar should make investments in research and development (R&D) for greener energy technology, notably in the areas of carbon capture and storage (CCS) and energy efficiency. This will help to foster innovation in energy technologies. This guarantees that Qatar will continue to be competitive in a global market that is going in the direction of sustainability.

Energy and security partnerships should be strengthened in Qatar:

- **A more profound connection with Europe:** Qatar should improve its political and economic ties with Europe. LNG supply contracts are long-term, so Qatar may use this energy alliance to strengthen diplomatic ties and attract investment in infrastructure, banking, and technology.

- **Qatar should use its unique energy position to improve its diplomatic and geopolitical influence in Europe.** Crucially, it should do so in a constructive way—seeking to use LNG sales as a springboard for other commercial activity and cultural connections, rather than following in the Kremlin's footsteps and using gas as a form of blackmail.

- **Balance Energy Trade with Asia and Europe:** Qatar should continue to serve Asia, its major market, while growing into Europe. This balance protects against regional market volatility.

- **Qatar can build on its role as a mediator in the Russia-Ukraine conflict by negotiating agreements between the two countries, including the return of children to their families from Russia to Ukraine.** Doha's diplomatic mediation efforts have produced tangible results for the countries with which it is mediating, as well as greater economic and political benefits for Qatar itself. In this way, Qatar's energy sector can serve as an important underpinning to its broader foreign policy goals.

CONCLUSION



The worldwide energy market as a whole, and particularly the market in Europe, has been profoundly transformed by Russia's conflict in Ukraine. As a leading supplier of LNG to Europe, Qatar plays a pivotal role in meeting Europe's present and future energy demands. Qatari LNG exports have been an integral part of Europe's energy mix, contributing to the diversification of energy sources in the region. Russian involvement in the Ukrainian conflict, long-term supply contracts, market dynamics, and geopolitical concerns have all demanded the increased flow of Qatari LNG to Europe. If the market for LNG continues to increase in either Europe or Asia, Qatar will be well-positioned to benefit from its considerable advantage over its nearest competitors, considering its ideal geographic location and its relatively lower production cost.

The European Union has ramped up its efforts to diversify its energy sources away from Russia, with the goal of completely cutting off Russian oil supply and natural gas in the future. Improving its reliance on LNG imports from other sources, including Qatar, remains a key component of this plan. As a result of these dynamics, including increased LNG trades to Europe Union, Asia, and other countries, Qatar's future diplomatic and geopolitical power is likely only to increase.

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