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M1 ERPS, 08/12/25

Subject: Power of Siberia 2: symbol of the growing Sino-Russian energy cooperation

Document 1: Gazprom's pipeline network in Russia and projects to China

Source: Gazprom

Document 2: Russia-China cooperation through pipelines

Source: IA

On one hand, the first document is a map depicting Gazprom's pipeline network in Russia and its projects towards China. In blue are represented the existing gas pipelines of Gazprom, very dense in European Russia and in western Siberia. In blue dotted lines, the proposed/projected pipelines. In red/ purple, some other major gas pipelines, notably the Power of Siberia pipeline already in service between the Chayanda/Kovykta fields and the Chinese border near Blagoveshchensk. And, in dotted red lines, the projected route of Power of Siberia 2, which would start from western Siberia (region of Novy Urengoy) towards Mongolia (Ulan Bator), and then China. The map therefore illustrates the potential reorientation of Russian gas flows: from the fields of the Yamal Peninsula and Western Siberia, historically oriented towards Europe (Towards Yamal-Europe pipeline), to the Asian market, and in particular China, via the future Power of Siberia 2. On the other hand, the second document shows two large parallel gas pipelines crossing a plain, disappearing towards the horizon. On the left, a flag of China, and on the right, a flag of Russia. The environment looks rural or steppe-like, consistent with a Mongolian landscape. The document clearly evokes the growing energy cooperation between Russia and China, in particular the export of gas by pipeline, and more broadly the economic and geopolitical interdependence between the two countries through energy infrastructure. One immediately thinks of projects such as the Power of Siberia 2 pipeline. On September 3rd 2025, Russia and China signed a legally binding Memorandum of Understanding (MoU) for the Power of Siberia 2 gas pipeline project, connecting the Siberian gas fields to northeast China. The announcement of this project dates back to 2006, but the current geopolitical context pushed both parties to revive it. Power of Siberia 2 is led by Gazprom on the Russian side and the China National Petroleum Corporation (among the largest global producers of oil and natural gas) on the Chinese side. According to Gazprom CEO Alexei Miller, as reported by Russian media, it would be the largest project in the history of the gas industry. While the memorandum confirms the mutual intention to proceed, several aspects of the project remain under negotiation. Nevertheless, this pipeline project stands as a key symbol of the growing Sino-Russian energy cooperation. Siberian Force 1 is currently the main operational gas pipeline, connecting the deposits of eastern Siberia to northeast China, with a contractual capacity of around 38-44 billion m^3 per year. It spans 3,968km and was completed in 2019. In addition, Russia also supplies gas to China via a so-called Far East/Sakhaline route, which is expected to reach approximately about 10-12 billion m^3 annually, onstituting another pipeline corridor to China, separate from Siberia Force 1. The aime here will be to analyze the various challenges related to the growing energy cooperation between China and Russia.

I- The acceleration of the Russian strategic pivot towards Asia

If document 1 shows the gas pipeline projects towards China, it also shows Gazprom's extensive network in Europe. Indeed, the map integrates the Yamal-Europe pipeline towards Poland and Germany and the western transit branches of the network leading to the European Union via Belarus and Ukraine. Thus, in the context of the war in Ukraine ongoing since February 2022, Russia has faced severe Western sanctions and the loss of its European energy markets. As an illustration, the Yamal-Europe pipeline has had almost no flows since 2022. As for the western branches, they have seen very diminished or interrupted flows depending on the sections. Moreover, even if the map does not precisely detail Nord Stream 1 and 2, both the pipelines have been physically damaged by sabotage in the Baltic Sea.

As a result of the loss of its European energy market, Moscow must replace this market and seek increased partnerships in Asia, particularly with China. In this regard, the Power of Siberia 2 is part of this strategy. The pipeline will redirect gas flows from Yamal fields and the North Stream corridor to China in order to compensate for post-2022 sanctions. The pipeline transits through Mongolia with a target capacity of 50 billion cubic meters per year of natural gas. In comparison, Nord Stream 1 supplied Europe with 55 bcm of gas per year . The agreement also includes provisions for increasing gas[1] supplies through existing routes. Deliveries via the Power of Siberia 1 pipeline are set to rise from 38 to 44 bcm/year. Supplies through the Far East route and Sakhalin Island, due to start in 2027, are expected to increase from 10 to 12 bcm/year. Ultimately, Moscow aims for a set of three major gas routes to China (Siberian Force 1, the Far East/Sakhalin route, and Siberian Force 2), which could total nearly 98 billion m^3 of Russian gas per year delivered to the Chinese market if all projects succeed. The objective of this strategy is to stabilize revenues through a 30-year contract and to monetize underexploited deposits. Thus, as illustrated in document 2, Power of Siberia 2 increasingly turns Russia towards Asia through the Mongolian steppes, embodyin the image of two large parallel gas pipelines crossing a plain, disappearing towards the horizon.

II- The strengthening of Chinese energy leverage and security of supply

According to document 1, Power of Siberia 2 would lead into the northeastern industrial area of China, near Beijing. In fact, several routes have been discussed, but in 2021 the choice was made in favour of the Mongolian route to northern China, as depicted in document 1. The Mongolian route facilitates direct access to pipelines such as the West-East Gas Pipeline, allowing the mixing of Russian gas with that of Central Asia for optimal redistribution towards China's economic centers. The goal of Power of Siberia 2 for China is to strengthen energy security. Indeed, natural gas has become one of the pillars of Beijing's strategic vision. Thanks to large investments made in liquefied natural gas (LNG) infrastructure, including exploration, transportation and storage, China has been propelled to the rank of the world's largest importer. In 2023, it surpassed Japan by importing 72 million tons of LNG, compared to 66 million tons imported by Japan. Imports further increased in 2024, reaching 78 million tons, of which 6% came from the US. Thus, by analyzing document 1, it is possible to notice that Beijing is adopting a pragmatic strategy in which the security of energy supply comes first.

First of all, this security is based on the diversification of supply sources. Indeed, the pipeline gas that would be transported by Power of Siberia 2, with stable volumes of 50 bcm/year, is considered more stable than maritime LNG. The latter is more vulnerable to geopolitical tensions, such as those in the Middle East, the war in Ukraine and the growing Sino-American confrontation (trade war).

Furthermore, in the context of this energy security strategy, the Chinese strategy consists of imposing competitive prices and volumes with a flexible schedule while avoiding over-dependence on Russia. In fact, China negotiates competitive prices lower than those charged to the Europeans for Yamal gas. This creates a competitive market with regional hubs capable of stabilizing its supply.

Finally, the Power of Siberia 2 project positions China as an Asian energy hub, absorbing two-thirds of current Russian gas exports, without relying heavily on American LNG. In doing so, China ensures strategic diversification without overdependence on Russia, thanks to its multiple options (Central Asia, American LNG). Europe risks paying the price for this reorientation, with rising

[1] Delatte, J., & Klein, R. (2025). «De Nord Stream à Power of Siberia: la Chine gagne, la Russie plie, et l'Europe paie». Institut Montaigne. https://www.institutmontaigne.org/expressions/de-nord-stream-power-siberia-la-chine-gagne-la-russie-plie-et-leurope-paie

prices due to the loss of Nord Stream, competition with low-cost supply from China, and transatlantic tensions forcing constraining US imports.

Thus, the combination of reliable onshore supply, competitive price negotiation, and the development of regional hubs contributes to greater security of gas supply while strengthening energy cooperation with Russia.

III- The questioning of the world energy order dominated by the United States and the construction of a regional axis Asia-Eurasia

The Power of Siberia 2 project is contributing to significantly changing global LNG markets. By increasing the direct supply of Russian gas to China overland, it could reduce Asian dependence on LNG imported by sea, particularly from the United States and Qatar. This new, cheaper land source could lead to lower LNG prices in Asia, forcing traditional exporters to adjust their volumes and tariffs to remain competitive. Moreover, the diversification of supply flows gradually weakens American influence on Asian energy supply routes, marking a significant geopolitical shift.

Furthermore, as Anne-Sophie Corbeau argues: «In practice, China does not have a fundamental need for this Russian gas. It is a 100% geopolitical [Power of Siberia 2] agreement, a message sent to the United States»[2]. Indeed, the Russian gas destined for China via Power of Siberia 2 is not a fundamental economic necessity for China, but rather a strategic geopolitical signal diected at the United States: «we can do without your gas». This message was further reinforced by the Sino-US trade conflict and the tensions in the Strait of Hormuz that disrupted US deliveries of LNG to China.

As a result, China turned to Moscow and received its first LNG cargo from Arctic LNG at the end of August 2025 (a project under US sanctions). This exchange marks the strengthening of the Sino-Russian energy partnership. «It's a test for the Trump administration», adds Corbeau. If this is allowed to happen, the China-Russia-India bloc could increase its trade and India could in turn import Russian LNG»[3] . Thus, the project illustrates the affirmation of a multipolar order in the Asia-Eurasia region, reinforced by regional platforms such as the Shanghai Cooperation Organization (SCO). The SCO promotes strategic energy exchanges in a multipolar logic that challenges American hegemony. Mongolia, through which the main PoS-2 road passes, is a major geostrategic pivot, benefiting from transit rights and playing a key role in the redeployment of Euro-Asian energy architectures. As for India, it could turn to Russian natural gas rather than American LNG and become a major ally in this energy cooperation. From then on, a reconfiguration of the global balance in favor of greater regional autonomy in the face of Western influences appears.

IV- A «friendship without limits», however real strategic limits: between asymmetry and uncertainties

If as document 2 shows, the project of Power of Siberia 2 represents a project oriented towards the horizon, the future that is to say, a growing cooperation between Russia and China in the energy sector. Nevertheless, this «friendship without limits» is undermined by strategic challenges which

[2] Rauline, N. (2025). «Power of Siberia 2: la Chine et la Russie ressuscitent un gazoduc de 7.000 kilomètres pour défier l'Amérique». Les Echos. https://www.lesechos.fr/monde/enjeux-internationaux/power-of-siberia-2-la-chine-et-la-russie-ressuscitent-un-gazoduc-de-7000-kilometres-pour-defier-lamerique-2183980#

[3] Ibid.

puts collaboration in difficulty. On the one hand, «From a geopolitical point of view, the announcement of a future gas pipeline linking Siberia to China is the vassalization of Russia by China, with Moscow now being economically very dependent on Beijing,»[4] says Didier Holleaux. Indeed, in the negotiations for the gas pipeline project, Sino-Russian relations are marked by a strong power asymmetry. China is in a dominant position, it imposes competitive prices, volume and a flexible schedule. Beijing dominates the signing of contracts. This dynamic is part of the Chinese strategy aimed at stabilizing and securing its energy supply. As for Moscow, it is in a situation of dependence, it must dispose of the quantities of gas initially intended for Europe. Russia lost 80% of its European market. Thus, the country sacrifices profitability and diversification, with massive investments ($55 billion). Total deliveries could reach 106-136 bcm/year, or 42-45% of Chinese gas imports projected in 2040, but Russia would then depend almost entirely on Beijing as the sole major buyer, illustrating its increased vulnerability in this «limitless» partnership but very constrained. Thus, the balance of power in this cooperation is reconfigured.

On the other hand, the Sino-Russian energy partnership in the Power of Siberia 2 project is marked by vulnerabilities and uncertainties regarding first of all the issue of the energy transition in China. Beijing adopts a strategy of «strategic ambiguity» combining different energy sources (fossil and renewable energies). Given that gas demand is declining in northern China (expected supersaturation) and reluctance to rely on a single supplier for fossil gas in the long term, despite the advantageous prices offered by Moscow. By way of illustration, while Russia continues to praise the Power of Siberia 2, China is reserved and publishes few statements on the subject.

In addition, the issue of funding can be a factor of disparity. Indeed, the Power of Siberia 2 project involves estimated costs between 10 and 13.6 billion dollars for the construction of the 6,700 km gas pipeline (including 2,400 km in Russia), with variations according to the sources of up to 55 billion dollars including related infrastructure such as the development of the Tchaianida and Kovykta deposits. Russia, sanctioned and deprived of access to Western funding, probably depends on Chinese loans via the CNPC or PipeChina to move forward. Therefore, we must ask ourselves who will mainly finance the project. Gazprom would assume a significant share of the initial investments without recently confirmed advances. Thus it is important to question the profitability for Russia of Power of Siberia 2. In the event of the realization of this project, Moscow would finance a significant part of the gas pipeline, China does not want the start-up to take place before 2031-2032 and Beijing imposes low prices lower than the pre-war European tariffs in Ukraine of $120/1,000 m^3. This project appears to be a financial burden for Russia.

In conclusion, documents 1 and 2 have highlighted that the Power of Siberia 2 project contributes to increasing energy cooperation between Russia and China. Thus, the Russian strategic pivot towards Asia accelerates in the face of the loss of European markets after the invasion of Ukraine. This partnership simultaneously strengthens the Chinese leverage on its security of supply, while contributing to challenge the world energy order dominated by the United States for the benefit of a regional axis Asia-Eurasia. However, the documents reveal, also, in the partnership real strategic limits: a strong asymmetry of power where Beijing imposes its conditions, uncertainties about financing and profitability for Moscow, as well as Chinese hesitations related to the energy transition. Thus, despite the ambitions displayed, Power of Siberia 2 embodies a partnership constrained by unbalanced power relations and persistent economic challenges. Therefore, it is interesting to wonder to what extent this partnership risks upsetting the world energy order.

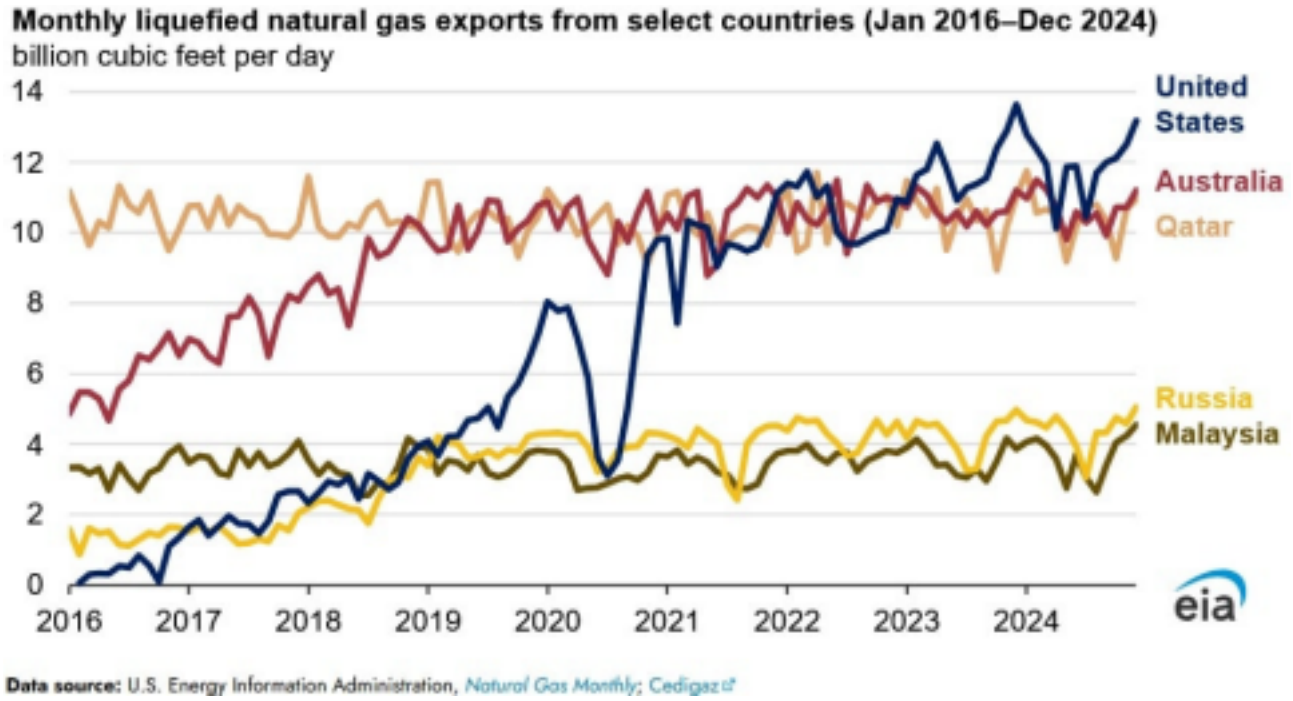
[4] Holleaux, D. (2025). «Gazoduc Force de Sibérie 2: «La vassalisation de la Russie par la Chine»». News Tank Energy. https://energies.newstank.fr/article/view/411364/gazoduc-force-siberie-2-vassalisation-russie-chine-didier-holleaux-ex engie.html

Attachments:

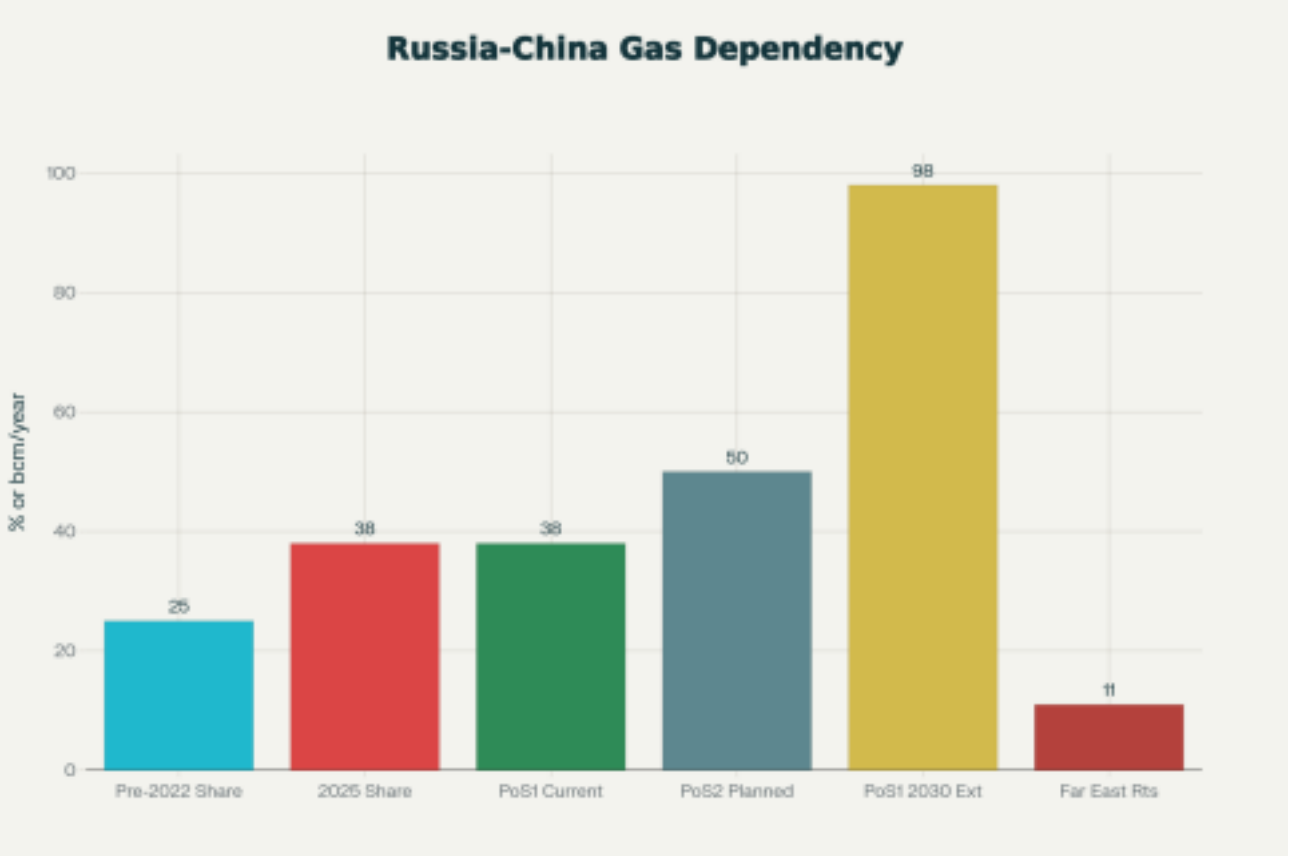
Attachment 1: Russian gas pipelines towards Europe

Source: Planètes Énergies. TotalEnergies

Attachment 2: Monthly liquified natural gas exports from select countries (January 2016-December 2024)



Attachment 3: Evolution of Russian dependence on energy exports to China, with capacities of the Power of Siberia pipelines



Source: Perplexity

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