

(Overview)

At the beginning of the twenty-first century, Russia began to look eastward more aggressively than ever in the energy sector. Russia began to export liquefied natural gas from the Sakhalin-2 project in spring 2009. Subsequently, the first crude oil tanker sailed from the Pacific Coast at the end of the same year with the completion of the 2,700-kilometer first phase of the East Siberia–Pacific Ocean (ESPO) pipeline. Indeed, Russia made a striking debut as a new oil and natural gas supplier in the region. Besides the extension of another 2,000 kilometers in the second phase of the ESPO crude oil pipeline, Russia is currently making strides in the development of natural gas pipelines in the eastern regions.

However, Russia has faced an almost insurmountable investment challenge by itself as it has been accelerating development of untapped oil and gas resources in eastern Siberia and the Far East in order to increase production and exports of these hydrocarbons. Russia's geopolitical mind-set has turned out to be a serious impediment to timely attraction of foreign investment. Notwithstanding high degree of economic mutual complementarity between Russia as the world's biggest producer of hydrocarbons and China as the fastest-growing consumer, Russia has paradoxically concerned that an increase in Chinese influence in the energy sector might ultimately encroach upon Russia's geopolitical interest. Yet, Russia's geopolitical tactics to counterbalance China's rise has not developed in the way the former initially attempted, only resulting in slow progress of eastern regions' development.

This paper firstly reviews the limit of Russia's geopolitical approach to reinforce its presence in the energy sector in Northeast Asia by reviewing experiences in the past decade. Secondly, it explores how we could make the best of eastern Russia's hidden potential internationally in view of a possible solution to alleviate the impact of China's surging hydrocarbon demand on international society.

(Methods)

- ◆ Primary sources on energy development, plans and strategies in Russia, China and Japan

are scrutinized in all the languages.

- ◆ The paper sheds light on trends in energy markets, dynamics of the regional international relations, national energy strategies and domestic politics.

(Expected Results)

- ◆ This paper will bring about contribution to knowledge about the contemporary state of geopolitics and energy markets in Northeast Asia, which can be of interest for political scientists, economists, historians, policy makers, etc.
- ◆ The conclusion will include policy recommendations how we can most effectively solve geopolitical conundrum, which has delayed emergence of confidence-building mechanism by way of tackling energy security in Northeast Asia.

(References)

By the author:

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