

Editorial Board

Don't Celebrate the Nord Stream 2 Deal

Biden's agreement with Merkel may improve U.S.-German relations, but it won't achieve much else.

By [Editorial Board](#)

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Hold the applause. *Photographer: Chip Somodevilla/Getty Images North America*

An agreement reached by U.S. President Joe Biden and German Chancellor Angela Merkel will allow for the completion of the Nord Stream 2 pipeline, enabling Russia to transport natural gas directly to western Europe. The deal accomplishes Biden's goal of improving relations with Germany, but little else. Nord Stream 2 remains a misguided project that will weaken German leadership and leave Europe more vulnerable to Russian aggression.

Built by Gazprom, Russia's state-controlled gas company, the new pipeline will double supply across the Baltic Sea directly to Germany, Europe's biggest consumer of natural gas. Currently, one-third of Russian natural gas moves through Ukraine, which collects transit fees of as much as \$2 billion a year. By allowing Russia to deliver without passing through Ukraine, Nord Stream 2 could disrupt Ukraine's economy and deny Kyiv funds it needs to defend against Russian military pressure. NATO members Poland, Slovakia and Hungary also stand to lose fees. Most alarmingly, the pipeline will increase Europe's dependence on Russia, which already controls 40% of the EU's natural-gas market.

Since coming into office, Biden has reiterated the U.S.'s opposition to Nord Stream 2. Angering senators in both parties, however, he refrained from imposing sanctions against German companies involved in constructing and insuring the pipeline, which is 98% complete. To avoid

confronting Merkel – a fierce defender of German business, which expects to benefit from the project – Biden offered to waive further U.S. sanctions in exchange for German pledges to increase energy diversification in the EU and bolster support for Ukraine.

Under the deal announced last week, Germany will establish a \$1 billion fund to promote renewable energy in Ukraine, while contributing more than \$200 million to help Ukraine modernize its electrical grid. Berlin promises to strike a deal with Russia to keep gas flowing through Ukraine through at least 2034. It also committed to give third-party suppliers access to the pipeline, and to invest in new energy infrastructure projects in eastern and central Europe.

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None of this is likely to deter Russian President Vladimir Putin from using the pipeline to undermine Ukraine and expand Russia's influence. While Merkel agreed in principle to sanction Russia if it threatens Ukraine, she didn't specify the conditions or say what the penalties would be. The deal lacks provisions to restrict Gazprom's access to Nord Stream 2 should Russia cut off gas supplies through Ukraine. And though the U.S. and Germany expressed a shared determination to "push back against Russian aggression," Germany offered no sign it plans to meet NATO's goal that all member states devote 2% of GDP to defense by 2024.

With Merkel set to step down as chancellor after elections this fall, the Biden administration should press Germany's next government to fix the deal's flaws – and include in the negotiations the countries at greatest risk from the completion of Nord Stream 2. Merkel, now with Biden's help, has emboldened Putin while delivering little benefit to Europe in return. Germany's next leader will need to repair the damage to Europe's security.

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