



## Research seminar of the Chair The Economics of Natural Gas

**Tuesday 9th of October 2018, 10h00 - 12h00**

ENERPO Research Center at European University at St. Petersburg  
1 Shpalernaya st., 191187, St. Petersburg

### **François LÉVÊQUE**

Professor in economics at Mines-ParisTech, PSL Research University,  
Director of the Chair “The Economics of Natural Gas”,  
Reference advisor at Deloitte France

### **Gazprom against US LNG and EU Commission - An economist’s view on natural gas competition**

The presentation focuses on industrial economics issues related to the major Russian natural gas producer and provides some insights into its strategy. Gazprom undergoes competition pressure from both the market and the law. The entry of new players, bringing the US LNG to European gas markets, imposes an upper bound on prices of imported Russian gas, the competitiveness of which is insured by lower production costs. On the other hand, the litigation initiated by the EU commission against the Gazprom’s abuse of dominant position in the European market, resulting for the moment in settlements, is likely to intensify.

### **Ekaterina DUKHANINA**

PhD candidate, MINES ParisTech,  
Research fellow at the Chair “The Economics of Natural Gas”

### **Integration of natural gas markets: focus on arbitrage opportunities**

The liberalization reforms conducted in different regions have stimulated the emergence of spatially localized spot natural gas markets worldwide interconnected through the pipeline network or via LNG. According to the spatial equilibrium theory, the spatial arbitrage is playing a crucial role in the determination of local prices. The paper applies a new methodology to estimate the degree of spatial integration between natural gas markets. This model provides insights into profitability of arbitrage, detects periods of integrated equilibrium and points out barriers to trade and market inefficiencies. The model is applied to the global gas market to estimate its degree of integration. Another application assesses the efficiency of a policy targeting a more integrated gas market.

Co-authored with Olivier Massol and François Lévêque

**The presentations will be followed by a set of discussions on related topics.  
The seminar will be held in English.**