
Current Intelligence Report Circular

CLASSIFICATION: DECLASSIFIED AND APPROVED FOR PUBLIC RELEASE

Report Topic: Responses to war in Poland, Slovakia, Hungary, and Romania

Production Date: 14 March 2022

CMC Director: Kevin Joyce

Report Author(s): Aubrey Belanger and Kevin Joyce

European countries divided about banning Russian energy

The European Commission (EC) plans to cut two-thirds of its Russian fossil fuels by the end of 2022. Poland and Slovakia are in support of this, while Germany, Hungary, and Bulgaria are opposed. Poland expects to be independent from Russian gas in the next six months. The Baltic Pipe gas pipeline has continued to develop over the past five years, connecting Poland to Norway's offshore gas fields. Currently, Poland continues to rely on Russian coal and oil, and remains the fourth highest energy import bill of any European Union (EU) country. Poland is shifting towards different forms of transportation, including trains and more public transport, in order to use less oil. Slovakia's Economic Minister, Richard Sulik, is concerned about the implications that will follow for the European industry. However, Slovakia's Prime Minister, Eduard Heger, is in support of a ban for all Russian commodities. If the EC follows through with the ban, Germany could enter a financial crisis because it is the largest recipient of Russian oil in Europe. Hungary is in opposition to the plan, because of its potential economic ramifications for Hungarians. EU leaders are in the process of convincing other EU countries to stop their energy imports from Russia. END

CMCD Note

Poland's energy contract with Russia ends this year. The Polish government has firmly stated it will not renew the contract. In 2021, Poland relied on Russia for approximately 55% of its natural gas demands. It is even more reliant on Russian oil. Poland has begun to branch out to Saudi Aramco for new oil and natural gas deals. Poland has the largest coal mining industry in the European Union (EU); thus it could support the move towards railway transportation. But, over the years, Poland has reduced its coal mining industry in support for curbing global warming. Hungary is experiencing its highest inflation (8.3%) since August 2007. Approximately 66% of Hungarians believe President Viktor Orbán is best suited for dealing with the economic issues, but this rating could experience a decrease if inflation continues to rise. Hungary currently relies on Russia for 85% of its gas needs and 64% of its oil needs.

Sources

Politico, Poland tries to wean itself off Russian energy
<https://www.politico.eu/article/poland-russia-energy-gas-pipeline/>

EURACTIV, Network Roundup: EU split on Russian oil and gas ban
[DNGTS]<https://www.euractiv.com/section/energy/news/network-roundup-eu-split-on-russian-oil-and-gas-ban/>

Daily News Hungary, Orbán: Hungary won't join sanctions on Russian energy
[DNGTS]<https://dailynewshungary.com/orban-hungary-wont-join-sanctions-on-russian-energy/>