



Gas flows from Russia to Germany halted INDEFINITELY following Gazprom force majeure declaration

Description

RUSSIA/GERMANY: Just as many suspected would happen, the 10-day shutdown of the Nord Stream 1 (NS1) pipeline from Russia to Germany is no longer just a temporary thing for “scheduled maintenance.”

Gazprom, the Russian energy giant that operates the pipeline, just declared a *force majeure* against one major European customer, which means that NS1 will remain closed *indefinitely*, leaving parts of Europe without gas this winter.

What a force majeure means, in case you are unfamiliar with the term, is that extraordinary circumstances are preventing a supplier from delivering on its contractual obligations. In a nutshell, Gazprom just voided itself from having to deliver any more gas to Western Europe.

Reuters first broke the news, claiming that Gazprom’s force majeure actually began on June 14 but has only just now come to light amid growing speculation that the energy supply from Russia to Europe could be taken offline *permanently*.

“It said the force majeure measure, a clause invoked when a business is hit by something beyond its control, was effective from deliveries starting from June 14,” *Reuters* reported, citing a letter dated one month later on July 14.

Western Europe celebrates loss of Russian gas because it will help the EU maintain consistency with its “climate ambitions”

The “European customer” in question, by the way, is *Germany*, Europe’s largest economy. And it turns out that a force majeure was sent from Gazprom to at least three buyers total, one of which is Uniper.

Uniper says it does not accept the force majeure because it is invalid. The company has thus formally rejected the claim, which cites both current and past shortfalls in gas deliveries as being outside their

control.

The new letter appears to be a legal release from supply obligations in anticipation of a July 22 “doomsday,” the date on which it was already expected that Gazprom would keep the tap off rather than return NS1 back to normal service.

Germany has already been taking unprecedented steps in anticipation of gas shortfalls, including limiting hot water use, shutting down swimming pools and dimming city street lights as it enters the “alarm” stage of its dwindling gas supplies.

UBS economists released a detailed vision of what they see happening in the event of an indefinite or permanent NS1 shutdown, including a 15 percent reduction in corporate earnings.

“The market selloff would exceed 20% in the Stoxx 600 and the euro would drop to 90 cents,” reports indicate. “The rush for safe assets would drive benchmark German bund yields to 0 percent.”

The euro already touched parity with the dollar for the first time since 2002, and there appears to be more room for it to drop in the coming days.

Hilariously, the Paris-based International Energy Agency (IEA) is focusing not on this “red alert crisis” and what it will do to the economy of Western Europe, but is instead highlighting how the loss of much-needed gas is “consistent with the EU’s climate ambitions.”

In other words, even though the shutdown of NS1 will absolutely decimate Germany and other Western European countries that rely on Russian gas to thrive, the IEA is celebrating this because it will supposedly help stymie “global warming” and “climate change.”

“Dear German citizens, be sure to let your politicians know how much you appreciate them,” wrote a commenter at *Zero Hedge* about the insanity of this whole situation.

“And don’t forget to get boosted,” joked another.

“Greta should love Putin: he’s making sure Germany’s greenhouse gas emissions drop significantly!” joked yet another, referring to climate extremist Greta Thunberg.

by: Ethan Huff

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1. Economy-Business-Fin/Invest
2. Main
3. Survival-Prepping-Security

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