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Prospects for development of the Russian energy projects on the Korean Peninsula

The article assesses prospects of the Russian-Korean cooperation and analyzes risks and opportunities of the trilateral energy projects on the Korean Peninsula. The author noted that energy sector is the key area of bilateral cooperation between Russia and the Republic of Korea, but it's mainly represented by the trade in primary energy resources. The study identified the export potential of Russian hydrocarbons to the market of the Republic of Korea. As for the DPRK, the paper shows that within bilateral relations geopolitical interests prevail over the economic ones. The small capacity of the DPRK's domestic market and the absence of fixation sources do not allow considering it as an independent full-fledged market for the Russian energy resources. The main goal of the energy strategy of Russia and the Russian Far East is increasing the volume of exports of the primary energy resources to the APR countries. Russian prospects for the new product niches in the energy markets of the Republic of Korea are associated with the implementation of trilateral energy projects among Russia, the DPRK and the Republic of Korea. It includes creation of the interstate power transmission lines and construction of a gas pipeline. All parties are interested in these projects. As for Russia, it is primarily the expansion of energy exports, including occupation of the commodity niches in new markets, and strengthening of the political role in the region. As for the Republic of Korea, these projects mean diversification of supplies and costs' reduction of the import energy resources. And as for the DPRK, these projects imply an additional source of financing (as payment for transit), improvement of the country's energy infrastructure and reduction of the deficit of energy resources. Despite the prospects, the author determined that in the near future implementation of the projects is unlikely due to the unresolved transit risks.

Keywords: energy cooperation, interstate transmission line, gas pipeline, Russia, Republic of Korea, DPRK.

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