

## **Belarus's dependence on Russia in the energy sector**

According to our estimates, energy resource production and imports in 2024 amounted to about 47 million toe (ton of oil equivalent, the energy equivalent of using 1 ton of coal), of which 40.8 million toe (about 87%) are supplied from Russia. The main types of resources are oil, natural gas, and nuclear fuel.

Some petroleum products are certainly exported, and technically, imports of raw materials could be reduced for that volume. However, this would also have a negative impact on the economy. Dependence on different types of fuel varies in nature and scale, so reducing it cannot be achieved instantly.

### **Oil**

Until 2019, Belarusian oil refineries processed about 15-16 million tons of oil per year. About 1.7 million tons were produced domestically, and almost all of that oil was exported. Processing volumes were primarily limited by the volumes of oil supplied to Belarus.

After 2020, processing volumes fluctuated significantly, and since 2022, they have mainly depended on the ability to sell petroleum products, amounting to 12-16 million tons per year, of which about 2 million tons are produced in Belarus. Of this volume, about 8 million tons are used for domestic needs, and the rest is exported.

Analysis of available data on oil prices for Belarus from Russia shows that they are almost in line with world prices – the difference does not exceed 10%. In the event of a full switch to world prices, the increase in petroleum product prices could be around 3-7%, which is relatively insignificant. Therefore, no serious economic challenges are expected in terms of pricing.

However, to diversify supplies, technical and logistical issues must be resolved. There are several possible options, each with its own challenges. It is possible to supply oil via Lithuania by rail, but organizing such volumes can be difficult. Supplies could also be made through Ukraine via the Odesa-Brody pipeline with further reverse flow through the Druzhba. Here the key issues are the availability of Ukrainian infrastructure and transport tariffs. Another option is supplies via the Polish port of Gdansk to Plock and then via the Druzhba pipeline to Belarus. However, the port of Gdansk and the pipeline to Plock are currently fully utilized to supply oil to German refineries.

### **Gas**

Belarus consumed about 20 billion m<sup>3</sup> of gas. After the NPP was launched, consumption fell to 17 billion m<sup>3</sup>. The biggest issue with dependence on gas supplies is the price. Russia sold gas in 2025 for \$129 per thousand m<sup>3</sup>, while supplies from Europe will cost no less than \$350 per thousand m<sup>3</sup> at today's prices on the EU spot market, and possibly even around \$430 per thousand m<sup>3</sup>. With such changes, the cost of gas will increase 3.3-fold, heat 2.7-fold, and electricity by 33-35%. If we add the fact that thermal energy is currently 80% subsidized, such subsidies become simply unsustainable for the budget, and cutting them could necessitate a 10-fold increase in thermal energy tariffs. It is impossible to solve this problem without financial assistance and tariff reform.

Alternative gas supplies can be organized through the German and Polish gas networks with supplies via the Yamal-Europe pipeline in reverse mode. Its capacity is sufficient, and it is currently not used. However, in addition to the economic challenges, legal issues may arise, since



the pipeline itself, the other main gas pipelines, and the underground gas storage facilities are owned by PJSC Gazprom and are in fact controlled by Russia.

### **Nuclear fuel**

The entire nuclear fuel is supplied from Russia, and its delivery is tied to the contract for the construction of the NPP. Since the plant was built under a Russian project, only Russian fuel is suitable for its operation. Ukraine and some European countries have tried to switch to fuel supplies from other companies (for example, Westinghouse) and have even succeeded. However, this was done for older Soviet-era reactors.

In Belarus, it is a new project, and using a different fuel will be challenging. Most likely, we won't be able to draw on Ukraine's experience and will have to start the transition process from scratch – and only if other manufacturers can produce such fuel.

On the other hand, the NPP is refueled once a year, so the station won't be shut down immediately, and there will be some time to prepare for its shutdown. Belarus has sufficient capacity to replace the NPP's electricity, but production will be carried out using gas, which will lead to increased gas consumption.

### **General conclusion**

From a technical point of view, organizing long-term fuel supplies from other sources is possible. Difficulties may arise only in the event of a sudden supply interruption. In such a scenario, it would be necessary to urgently arrange supplies from alternative sources, but the models show that this would not lead to a disruption of consumer supply. This scenario was examined in detail in our report "The functioning of Belarus's energy system in the event of termination of oil and gas supplies from Russia."<sup>1</sup>

A sharp rise in energy resource prices could cause even greater difficulties, leading to a significant increase in tariffs.

Such a termination of supplies is not the goal and does not currently serve the national interest. The primary task is to reduce dependence on supplies and prevent fuel from being used as a tool of influence. For this, it is necessary:

- to organize alternative supply routes for energy resources;
- to ensure diversification through joint projects with neighboring countries;
- to introduce mechanisms that prevent the monopolization of the Belarusian market by lowering prices on energy resources;
- to carry out a series of reforms, including tariff reform for heat supply and the formation of a gas and electricity market.

This approach will reduce the risk of dependence on a single supplier and strengthen the country's energy security.

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<sup>1</sup> <https://isans.org/energy-sector/the-functioning-of-belaruss-energy-system-in-the-event-of-termination-of-oil-and-gas-supplies-from-russia.html>