

The Baltic states are looking for a common stance on gas supplies

On 10 – 11 February Latvia's president, Valdis Zatlers paid an official visit to Lithuania. That was the first visit of Latvia's head of state in 10 years. In his talks with Lithuania's President Dalia Grybauskaitė, Zatlers sought above all to strengthen trust between the two countries that is indispensable for the implementation of key energy projects for the region, including the agreement on plans to construct LNG terminals in the Baltic region. The prime ministers of Lithuania, Latvia and Estonia also discussed the need to forge a common position on this issue on 11 February in Vihula in Estonia.

Relations between Lithuania and Latvia have been marked by many disputes in recent years. The two countries did not regulate the demarcation of the maritime border that divides the oil-filled Baltic shelf (Latvia is delaying the ratification of the agreement and Zatlers did not bring any news in this matter). Lithuania has not either clarified its position on the project of the construction of a new nuclear power plant, which complicates its relations not only with Latvia but also with the remaining partners – Estonia and Poland. The contention over whose territory – Lithuania's or Latvia's – the electric energy connection to Sweden, which closes the small Baltic ring, will run lasted several years. In 2009 the dispute ended in success for Lithuania whereas Latvia secured 50% of the shares in the project.

The main topic of talks between the two prime ministers was the gas market. None of the three Baltic states has the possibility of acquiring gas other than from Gazprom which imposes high prices. Lithuania was the first country to announce the construction of its own small LNG terminal-platform and took measures to build a gas connector with Poland. Another objective of the Lithuanian authorities is to regain the state's control over the country's gas routes (partly controlled by Gazprom) and to launch a gas exchange in the region. Latvia has similar plans and wants to construct a large LNG terminal in the port of Riga connected to the region's only underground gas storage facility in Inčukalns.

As it seems from the meeting of the prime ministers of the Baltic states in Estonia, the authorities in Tallinn are also interested in the Latvian project as they are convinced that it would be easier to obtain EU funding for a joint large Baltic project. However, the obstacle is Lithuania's concerns that Latvia, where Gazprom's influences are stronger than in Lithuania, is a partner that guarantees genuine independence from the Russian gas supplier. President Zatlers in Vilnius tried to dispel these fears. He declared that in Latvia the project would be implemented by a state-run electric energy company Latvenergo, which is the biggest gas consumer in Latvia. <jhyn>