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Croatia ends Gazprom's monopoly

On 16 December the Croatian company Prirodni Plin signed a three years contract for gas supplies with the Italian consortium ENI. This means abandoning a new long-term agreement with the Russian Gazprom (the current contract will expire at the end of 2010) which so far has been the exclusive gas supplier to Croatia. Croatia is the first country to have used changes on the European gas market and given up supplies from the Russian monopoly.

Under this contract Prirodni Plin – a sister company of the Croatian energy consortium INA – from 1 January 2011 will be receiving approximately 750 million m^3 annually. The gas will be transported through Slovenia and, when the Varosfold–Slobodnica interconnector is opened at the beginning of 2011, through Hungary. The gas suppliers have for the first time been selected in an open tender, in which also Gazprom and the German E.ON. participated. Thanks to an increased supply of gas on the European market, ENI could offer a lower price than its competitors and a more flexible contract. The change of the supplier does not mean that there will not be gas from Russia in the supplies. Croatia has up till now imported 1.1 billion m^3 annually by means of Gazprom. The remaining part of the demand is covered by domestic exploitation at the Adriatic shore that cannot be increased in the immediate future. This makes it necessary for Croatia to sign another contract for gas supplies reaching at least 350 million m^3 a year.

The completion of the interconnector with Hungary with a capacity of 6.5 billion m^3 will enable Croatia further diversification as it will open a new route of supplies and grant access to gas from storage facilities in Hungary. Croatia will be able to buy cheaper gas on the spot market. At the same time the Croatian Ministry of Economy has accepted a plan to construct a floating terminal in order to receive floating Liquefied Natural Gas (FLNG) by the state-owned company Plinacro. The terminal will be ready by 2014. <MarSz>