

Hungary and Romania connecting gas pipeline systems

The 110 kilometre long Arad–Szeged gas pipeline is to be launched officially on 14 October and will connect the gas pipeline systems of Romania and Hungary. The investment will contribute to improving the two countries' energy security and may also play an essential part in connection with the plans for supplying Azeri gas to Central Europe.

The interconnector's annual flow capacity is 1.75 billion m³ and can be raised to 4.4 billion m³. The investor and operator of the Hungarian section of the pipeline is Földgázzsallító (FGSz), a subsidiary of the fuel giant MOL. Its Romanian partner will be the state-controlled gas network operator Transgaz. This project provides the first connection between the gas systems of the two countries and will be the only launched connector between Romania and its neighbouring country (apart from the Bratstvo pipeline running from Ukraine via Romania to Bulgaria, which supplies Russian gas). The operators of the new interconnector have already signed contracts covering its full capacity for 20 years with E.ON and GdF among the companies involved.

The interconnector will improve the energy security of Romania and Hungary owing to the diversification of gas transport routes and will increase competition on gas markets in the two countries. The interconnector may play a key role in crisis situations, such as Russian gas supplies being cut to both countries, which already happened at the beginning of 2009. The integration of the Hungarian and Romanian gas transport systems is also gaining significance in the context of the Hungarian MVM company's announced intention to become engaged in the AGRI project, as part of which liquefied natural gas would be supplied from Azerbaijan by sea to the Romanian port of Constanta. The launch of the interconnector makes the project more feasible as it will enable gas transport to Central European countries. <boc>