

Bulgaria is holding tough negotiations with Russia

On 1 July Bulgarian Prime Minister Boiko Borisov announced that he would make known to the general prosecutor's office the content of the gas contract signed in December 2006 between Bulgargaz and the Russian Gazprom. This decision, while being an element of the fight between the ruling camp and the opposition, is also part of the prolonged negotiations about new gas contracts and the joint energy project with Russia.

From July 2010 an increased gas price (24.6% higher) was introduced. The Bulgarian authorities have been presenting it as a consequence of the revision of the previous contract that was made by the former government and a non-transparent scheme of gas supplies. Now, according to Gazprom, gas is sold to Bulgaria at the price of US\$ 339 for 1000 m³, whereas end recipients are set to pay US\$ 576. The fact that the gas contract was submitted to the general prosecutor's office for investigation is intended to prove that society is paying the cost of the wrong or illegal actions of the former prime minister, Sergei Stanishev and the energy minister in his government, Rumen Ovcharov.

Questioning the gas contract signed by the former government is part of Bulgaria's assertive energy policy towards Russia, visible since the centre-right government lead by Borisov came to power in July 2009. Since that time Bulgaria has intensified its efforts to diversify the sources and routes of energy supplies and is delaying the moment of making binding decisions about the implementation of the energy projects that are a priority to Russia – the gas pipeline South Stream, the oil pipeline Burgas–Alexandroupolis and the nuclear power plant in Belene. The last visit the Russian deputy prime minister paid to Sofia (6 July 2010), however, seems to indicate that there has been a breakthrough in the impasse in the implementation of the South Stream project as Russia has announced that it would sign the agreement about the establishment of a joint venture on 16 July. It is quite likely that these questions will remain the subject of negotiations between Bulgaria and Russia; they will include talks between the representatives of Gazprom and Bulgargaz in Moscow on 8 July. <dab>