

Bulgaria: question mark on the energy project with Russia

The Bulgarian authorities are pointing to the possibility of withdrawing from important energy investments, in which Sofia's partner is Russia. Prime Minister Boiko Borisov has announced the withdrawal from the construction of the Burgas–Aleksandroupolis oil pipeline intended for the transit of Russian oil and freezing the construction of the nuclear power plant in Belene. Also the implementation of the Nabucco project was identified as Sofia's priority, at the expense of the support for the South Stream gas pipeline. Borisov's statements may indicate a progressive correction of the premises of Bulgaria's energy policy but they are above all an element of Sofia's negotiating tactic for the future of supplies of Russian energy resources.

On 11 June Bulgarian Prime Minister Boiko Borisov announced that Sofia would be pulling out of the key energy initiatives that would be implemented with Russia. Borisov ruled out Bulgaria's participation in the construction of the Burgas–Aleksandroupolis oil pipeline, whose route would circumvent Turkish straits, and the implementation of the Belene project that would involve Rosatom. This decision, in the opinion of the prime minister, is environmentally and financially justified. The plans outlined by Borisov were partly dismissed by the Economy and Energy Minister Traicho Traikov. He said that the final decision about the participation in the construction of the Burgas–Aleksandroupolis oil pipeline and the Belene power plant would depend on results of the analysis of the environmental impact of these investments and the related feasibility study. However, on 12 June Deputy Foreign Minister *Marin Raikov pointed to the primary importance of the Nabucco gas pipeline that is in competition with Russia's South Stream.*

While the statements of the Bulgarian politicians are not official, they are part of what to date has been the position of the Bulgarian government as regards cooperation with Russia in the area of energy. Sofia, to a large extent due to the gas crisis (January 2009) that heavily hit Bulgaria, is seeking to revise its energy policy. The main objective is to weaken energy dependence on Russia through the development of diversifying projects. These attempts are accompanied by a game over the shape of the Bulgarian gas market which is dominated by a gas trader Overgas, linked to Gazprom. Sofia is determined to eliminate intermediaries and it is using the threat that it will withdraw from Russian-Bulgarian energy projects as a bargaining chip. <boc>