

The Association of Bulgarian Employers' Organizations (AOBR) has sent a letter to the Government, indicating that the state is obliged to ensure the country's energy security as Bulgaria is the only EU member that has an expiring gas supply contract with Gazprom. Last week, Finance Minister Assen Vassilev said that, amid Russia's invasion of Ukraine, Bulgaria cannot hold talks with Gazprom to renew gas supply contract which expires at the end of 2022, and will be looking at alternative supplies, such as gas from Azerbaijan. However, the Azeri gas price would be higher than the Gazprom contract price. AOBR considers it compulsory for the state-owned gas supplier Bulgargaz to take actions for renewal of the long-term natural gas supply contract through a letter by proposing conditions for a new contract, which will not revoke actions for capacity reservations or using alternative sources of supply. Bulgargaz should become directly involved in the actions on the regional gas markets by obtaining a license to trade on the Balkan and EU gas markets, thus becoming an actual natural gas trader, who works in the interest of Bulgarian consumers. Bulgaria's contract with Gazprom will expire at the end of 2022, AOBR recalled, expressing concern that some Government members have told the media that the country will not hold talks with Gazprom on a new contract. Not holding talks will make long-term business planning impossible. The business environment will become unpredictable, discouraging investments, especially since there are no agreed quantities and capacity, nor clarity on how much it will cost Bulgarian consumers. In the Association's view, Government's decisions on the security of energy supply should also be economically justified. The business sector supports the idea of diversification of gas supply but considers security and continuity of supply to be of key importance to preserve the competitiveness of Bulgarian economy.