

As part of a procedure to borrow six-year loans in the total amount of 400 million euros, Bulgarian natural gas transmission system operator Bulgartransgaz said that it has received ten offers for loans totaling 542 million euros.

Bulgartransgaz received offers from ING Bank, Citibank Europe, Raiffeisenbank Bulgaria, Unicredit Bulbank, United Bulgarian Bank, the International Bank for Economic Co-operation, Eurobank Bulgaria, DSK Bank, VTB Bank Europe, and a consortium comprising the Bulgarian Development Bank, International Investment Bank and Municipal Bank. The offered interest rates vary for each of the six years of the credit, as the lowest is 1.35 % and the highest is 3.5 %.

Last month, Bulgartransgaz said that it is seeking to obtain a loan of up to 400 million euros in order to finance some key gas infrastructure projects. The loan will be used to cover operating and investment costs related to this and other gas infrastructure projects: gas interconnection between Bulgaria and Serbia, the expansion of Chiren underground gas storage facility and the construction of gas transmission pipelines. According to Bulgartransgaz, this procedure will raise financial resources for the implementation of its investment program, aimed to diversify the sources, increase the security of gas supply and position Bulgaria as a regional gas distribution hub.

Last September, Bulgartransgaz and Saudi-based Arkad Consortium have signed a contract for the delivery of materials, investment project design, development and commissioning of the Bulgarian section of TurkStream extension. The contract is worth 1.1 billion euros and has to be implemented within 615 days after its conclusion. The new pipeline will allow Bulgartransgaz to supply gas to Serbia, Hungary and finally, the hub in Austria.

Bulgartransgaz also signed a contract, worth 197.5 million euros, with a consortium consisting of German FerroStaal and two local companies for the construction of two gas compressor stations. In early 2020, Bulgarian Government approved the acquisition of 20 % stake in the project for the construction of liquefied natural gas (LNG) terminal in Alexandroupoli in northern Greece by Bulgartransgaz. The participation in the LNG terminal project is in line with Bulgaria's long-term energy strategy for diversification of gas supply sources and routes, and will support the development of the country's Balkan Gas Hub project. Bulgartransgaz will acquire the shareholding interest by financing 20% of the cost of construction of the LNG terminal.