

Russia's state-owned Gazprom said on Tuesday it would suspend gas supplies to Bulgaria, without giving specific reasons. The Bulgarian side has fully fulfilled its obligations and made all payments under the gas agreement with the Russian giant, according to Bulgargaz. Physical deliveries of Russian gas to Bulgaria continued on Wednesday after 9 am, with a slight increase in volumes.

According to ENSTO-G data, the physical flow of gas at the Strandzha-Malkoclar entry point on the Turkish border was still not interrupted on Wednesday at 11 am.

Although the country is almost completely dependent on Russian gas, the total interruption of supply will not have a critical impact on Bulgaria because the heating season is over, bearing in mind that the district heating system is the largest gas consumer in the country. Other major consumers are glass factories and the chemical industry, which could use alternative fuels or temporarily reduce production. The activity of Lukoil Neftochim, which uses gas in oil refining, may be a problem, but the quantities from the Chiren storage and the import of Azerbaijani gas will support its production.

On Wednesday morning, at an extraordinary press conference, the Minister of Energy, Aleksandar Nikolov, announced that there would be no restrictions in gas supply and that the state had provided alternative deliveries for at least a month.

That will give us time to find a more sustainable solution to the situation together with the European Commission and partner countries, the minister said.

On Tuesday, it was announced that Russia is suspending gas supplies to Poland, which is why prices have risen by more than 10 percent in the last hours of trading on gas exchanges. Growth continued on Wednesday morning as the Dutch TTF reached 114 euros per MWh.

However, as in Bulgaria, deliveries to Poland actually resumed after a few hours break during the night.

The alleged suspension of deliveries is related to the decision of Russian President Vladimir Putin to pay for gas in rubles, which is contrary to the concluded long-term contracts.

In addition, according to information from Capital from several sources, which was officially confirmed by Minister Nikolov, the payment of Bulgargaz to Gazprom for April was successfully realized in the previous days. This means that the Russians withdrew this move for purely political reasons - to put pressure on the background of Russian military action in Ukraine.

The contract with Gazprom expires on December 31, 2022, but after the latest decisions of the Russian company, it can be considered practically terminated. The same goes for other European countries.

At first glance, this may seem like a heavy blow to the EU, but it could actually be an economic suicide for Moscow. Natural gas provides a huge part of Russia's budget revenues, and until recently, Europe alone paid almost a billion euros a day. Without these

funds and with difficulties in planning in the oil sector, Russia could face critically low liquidity.

Source: capital.bg