

Bulgarian authorities confirmed that the construction of the TurkStream gas pipeline extension (so-called Balkan Stream) through Bulgarian territory will be completed by the end of 2020, said official of the Russian Ministry of Foreign Affairs Yuri Pilipson.

Pilipson said that the construction of the pipeline is progressing according to schedule, despite the inconvenience caused by the coronavirus pandemic. He also added that Russian Rosatom is ready to participate in the project for the construction of Bulgaria's second nuclear power plant Belene.

The second line of TurkStream gas pipeline should deliver Russian natural gas to southeastern and central Europe. Serbia has already completed its section of the pipeline, while Bulgarian section is still under construction and should be completed by the end of 2020. Last month, Serbia and Hungary have signed an agreement on the construction of gas interconnection between the two countries and it is expected that first volumes of gas will flow to Hungary via TurkStream extension in October 2021.

Last week, US Secretary of State Mike Pompeo announced that the State Department is taking steps which could open to US sanctions under a 2017 law investors in two pipeline projects that will carry natural gas from Russia to Turkey and Europe. The State Department is updating public guidance for authorities under the Countering America's Adversaries Through Sanctions Act that could put at risk of US sanctions investors in the Nord Stream 2 gas pipeline as well as the second line of TurkStream pipeline, intended to deliver Russian gas to southeastern and central Europe.

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 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.