

Hungary, The country has negotiated with Russia all the terms of a new long- term gas supply agreement

Hungarian Minister of Foreign Affairs and Trade Peter Szijjarto announced that the country has negotiated with Russia all the terms of a new long- term gas supply agreement, which will enter into force as of 1 October this year.

Minister Szijjarto said that the agreement with the Russian gas company Gazprom is valid for a period of 15 years, with the option to change the amount of gas purchased after the first ten years. He added that the agreed price is much more favorable than the one stipulated in the agreement signed by Hungary in 1995 and which expires this year. The agreement will be officially signed by the end of September, and Gazprom will deliver to Hungary 4.5 billion cubic meters of natural per year gas through two routes: 3.5 billion cubic meters via Serbia and one billion cubic meters via Austria, completely abandoning the previous supply route via Ukraine.

So far, Hungary has relied mainly on Russian natural gas and it never signed a long-term supply agreement with any supplier other than Gazprom, which is working to expand its presence in Europe by building more gas pipelines.

In recent years, Hungary started to diversify its natural gas imports by opening gas interconnections with most neighboring countries and signing several supply agreements, including one with the Shell Group, which aims to supply liquefied natural gas (LNG) through a terminal in Croatia.