

Romania: Huge increase in natural gas imports in 2016

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According to the data published by the National Institute for Statistics (INS), Romanian natural gas imports greatly increased in 2016 reaching 1.185 million tons of oil equivalent, which is 629 % more than in 2015.

At the same time, domestic gas production in 2016 diminished and reached 7.487 million tons of oil equivalent, which is 12.5 % less than in the previous year. According to the Romanian Energy Strategy draft, annual natural gas production is expected to slightly decrease and reach an average of 9 to 10 billion cubic meters between 2016 and 2030.

Romanian gas imports started increasing in late September and in early October it already reached about 30 % of the national consumption, while it is expected that the share will even reach 40 % of the consumption during the winter period.

President of the National Energy Regulatory Authority (ANRE) Niculae Havrilet said earlier this autumn that the increase in gas imports could continue, as the Russian exporters are looking for clients on the market. At the end of October they were selling gas for some 13.32 euros/MWh, while natural gas producer Romgaz can not sell below 15.99 euros/MWh as that is the level to be levied by the state. After the liberalization of gas market in 2013, Romanian Government set a special tax on additional incomes for gas producers and suppliers, which means that companies pay taxes for the price of 15.99 euros/MWh although they actually sell for less. That is the main reason why Romgaz was squeezed out from industrial consumers market, which represents 75 % of total gas consumption in Romania. Havrilet added that suppliers have targeted the lowest price, thus forcing the domestic producers to either decrease the price or to reduce the output and for the first time in the last 20 years, the price of imported natural gas is below the current domestic price.