

The exploitation of natural gas in the Black Sea cannot start earlier than 2024-2025 because hydrocarbon offshore law needs to be amended, and a broad coalition rather than the Government is needed to do it, said Romanian Minister of Energy Virgil Popescu.

The ruling coalition agreed to amend the offshore law in such a way as to stimulate investments in offshore natural gas and it will make this change later this year, Minister Popescu assured. However, this will have to be done in the Parliament because the Government wants a support as wide as possible on this issue.

The ruling coalition holds a fragile majority in Parliament, particularly when it comes to such delicate issues and past debates on these issues revealed diverging views even within parties.

In 2018, the Parliament adopted the offshore law, which establishes the principles for exploiting the Black Sea gas. According to the law, investors are obliged to trade 50 % of gas on the Romanian stock exchange, and 25 % of their employees must be Romanian. Last week, CEO of Romania's largest oil and gas company OMV Petrom Christina Verchere said that 2021 is critical for the offshore gas projects in the Black Sea, as the gas there is waiting to be exploited and the investment decision depends only on the measures to be decided by the Romanian authorities. She expects the Parliament to amend the hydrocarbon offshore law in its first session this year, adding that the Black Sea gas is essential for Romania's energy supply. If these projects don't materialize, Romania's gas imports could rise to 40 % of the domestic consumption by 2030.