

After many years of waiting, it seems that the LNG terminal of the island of Krk could soon become reality.

If it builds a floating LNG terminal on the island of Krk, Croatia will get a chance to become the energy leader in the region", said US Ambassador to Croatia Julieta Valls Noyes a few days ago, adding that there was interest by US companies to participate in this and other similar projects in Croatia. She added that the construction of a floating terminal could begin soon, thanks to European funds and commercial investors, reports Novi List on December 19, 2016.

"We believe that the LNG project brings low cost and risks, and represents a business opportunity for Croatia to demonstrate regional leadership and support energy objectives of Southeast Europe", said the Ambassador.

The United States have started to export its gas and could soon turn into a major exporter, which would make Croatia interesting due to its geostrategic position. Incoming US President Donald Trump said he would simplify red tape needed for export of American gas, which could then flood the European markets. The only question is whether it will be competitive with cheaper Russian gas. While Croatia should not expect Americans to provide financial assistance to construct the terminal, they will certainly be interested in selling or lease the floating terminal infrastructure.

A prerequisite for the construction of the terminal on the island of Krk is the construction of infrastructure which would turn LNG into gas, and that will be the task of the state-owned Plinacro company. Everything else should be financed by private capital and investors which, according to the LNG Croatia company, are still interested, even though, instead of a large land terminal, a smaller floating terminal will be built, with the capacity of about 1.8 billion cubic metres a year.

However, since the EU funded with almost five million euros the preparation of documentation needed for land terminal, that job still needs to be completed. The process of preparing the main design of the land terminal is almost finished, and that is a prerequisite for obtaining a building permit for the land terminal. When everything which has been paid by the European Union is completed, and that should happen probably in March, that the floating terminal project will be launched, and it will be necessary to adapt the documents to a floating terminal project and obtain new licenses.

LNG Croatia company is in contact with potential investors and users of the land terminal, which say they are interested in investing or leasing capacity at the smaller floating terminal as well. Croatian Energy Regulatory Agency has adopted tariffs for lease, which was a prerequisite to continue negotiations with potential partners.

LNG Croatia believes that the floating terminal project will be launched next year and that it will become operation in 2018, which would be a year before the larger, land terminal was supposed to start operations. In the meantime, the European Union will have to decide whether it would be willing to finance new studies and drafting of other documents needed for the floating terminal project.

source: total-croatia.com