

The LNG terminal project on the island of Krk would be financed from the Connecting Europe Facility.

“Today, we received great news from the European Commission. For the purposes of construction of an LNG terminal on the island of Krk, the European Union has granted us 102 million euros in EU funds. This is one of the most important energy projects not only at the national, but also at regional and European levels, which has been further proven by today’s decision on co-financing. This project will definitely give impetus to the development of Croatian economy and Croatian industry, which will have the opportunity to develop new services, new knowledge and new technologies in the field of LNG”, said Croatia’s Minister of Environmental Protection and Energy Slaven Dobrović

“Also, the security of gas supply will not be in doubt after this project is implemented. We sincerely believe that the new supply route will result in a reduction of the price of gas for end users in Croatia”, added Dobrović on Friday, commenting on the decision of the European Union to finance the project of LNG terminal on the island of Krk.

The LNG terminal project would be financed from the Connecting Europe Facility, and the decision about it was made at today’s meeting of the CEF Coordination Committee. CEF is dedicated to investing in infrastructure priorities of the European Union in the fields of transport, energy and digital technology.

The LNG terminal project on Krk is one of major infrastructure projects in Croatia which has been planned for a long time. The plans have been changed repeatedly, so it is still not sure what kind of terminal would be built. Although initially a large land terminal was planned, in recent months there was more talk about a floating terminal, which would be much cheaper to build and operate.

Given all the ambiguities about the capabilities of the terminal, it is still not known how much it would cost to be build, since that depends on numerous variables. However, it is certain that the grant approved by the European Commission would cover just a part of the costs and that the rest would be financed by the state budget or private investors. Given the uncertainties in gas market in Europe, it is not clear whether the terminal would be economically profitable.

In addition, the Committee approved 40.5 million euros to co-finance the project of improving the electric power transmission system Sincro.Grid, which is being realized in cooperation between Croatian and Slovenian electricity transmission system operators – HOPS, HEP ODS and ELES.

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