

Energy transformation is currently underway, there is a slowdown in the growth in demand for oil, Croatia cannot escape from these new trends, gas and electricity markets have been liberalized... These are just some of the observations from the 4th edition of the Energy Market Forum.

“The energy market is one of the most important potential drivers of the Croatian economy, and the acceptance of energy as a strategic industry guarantees the creation of new jobs”, said Minister of Entrepreneurship Darko Horvat.

Dejan Ljuština from PwC said that changes in Croatia were not fast enough and that many still continue to believe in myths, like the one that Croatian Electric Company does not need any restructuring. “HEP is not using what the regulator is allowing it to do. Although it is profitable now, the question is what will happen tomorrow, and every mistake is paid by customers in the end”, warned Ljuština.

Some opposing views were also heard on the topic of the construction of an LNG terminal on the island of Krk. “It is necessary to develop the project in line with market needs, because even if it is 100 percent financed by the EU, there still must be an economic reason to build it, since otherwise it is meaningless”, said Horvat.

Mladen Antunović, director of LNG Croatia Company, explained that the drafting of documentation for the project was at an advanced stage and that, if a political decision on the project is made, they would need about a month to receive a building permit. The construction process itself would last for about three years.

Marin Zovko, head of Plinacro, said that Croatia still did not have all the infrastructure needed for the transmission of gas from the future LNG terminal, but that it could be constructed within two years through connecting Omišalj on Krk and the main gas pipelines. Panellists added that almost all the countries of Central and Southeast Europe have announced they are interested in the benefits of the LNG terminal, but that none of them is ready to participate in construction costs and the risk of the project. Therefore, it is expected that at least 50 percent of the project will be financed from EU funds.

Speaking about the price of electricity, Minister Horvat said there was a possibility for a reduction of price, because “we need to have a way for the state to use regulatory mechanisms to move energy prices in the interests of the Croatian economy”.

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