

SLOVENIAN MINISTER COMMITS TO CONSTRUCTION OF SOUTH STREAM

The Slovenian Minister of Infrastructure and Spatial Planning, Samo Omerzel, today gave full backing to the South Stream Pipeline. Speaking at a conference in Ljubljana, the Minister said, "The South Stream project is in the interest of Slovenia, as well as other participating countries, and the pipeline has the Slovenian Government's full support."

The conference heard details about the current state of planning in Slovenia from Gazprom's Deputy Head of Project Management, Alexander Syromyatin, and Marjan Eberlinc, the CEO of local partner Plinovodi, which runs the gas transmission infrastructure in Slovenia.

"South Stream is one of priority projects for Plinovodi. It is demanding with regard to siting and the accompanying technical, environmental, corporative and financial law activities. The project must be developed in line with all the agreements and contracts between the two contracting parties, namely, Gazprom and Plinovodi, as well as the agreements between the government of the Russian Federation and the Slovenian government," said Eberlinc during the conference, entitled *South Stream: The Evolution of a Pipeline*.

According to Eberlinc, substantial progress has been made in planning for the construction of the pipeline. "Slovenia may not have been much progress seen on the outside, though there is an enormous amount of work engaged on the inside. Transmission pipelines are sited in line with national spatial plans and are thus under the jurisdiction of the Ministry of Infrastructure and Spatial Planning with which we have been cooperating excellently. South Stream is on the way to its realisation in Slovenia", he said.

Since successfully completing the North Stream pipeline, Gazprom has put all its efforts into the South Stream pipeline. Involving seven European countries and extending 925 kilometres across the Black Sea through Turkish territorial waters, the pipeline is one of the most ambitious infrastructure projects ever undertaken, resulting in huge engineering and environmental issues.

Minister Omerzel, who immediately after his keynote speech left for Moscow, where he plans to meet up with the head of Gazprom Alexei Miller to discuss their views on the project, said:

"The Slovenian political sphere wants to see this project— which will be implemented despite some scepticism—finally realised." He further noted that the other partner countries, including Italy and Serbia, shared an optimistic view of the project.

"Slovenia's discussions with the European Commission are extremely intense. Everyone should realise that Slovenia is part of the EU and it is in our interest to complete this investment project."

The event took place today in Ljubljana and was hosted by NaturalGasEurope, together with Slovenian partners, the Euro-Atlantic Council of Slovenia and International Institute of Social Science and Energy Research.

Alexander Syromyatin said, "South Stream will extend the existing gas supply system from Russia to Europe, cut harmful emissions, thanks to gas being an environmentally friendly resource, and help lead the southern European economy out of the crisis it is currently facing. South Stream aims to strengthen energy security, with its main objective being to ensure additional supplies of gas to Europe," noted Syromyatin who considers South Stream to be the largest infrastructure project worldwide.

European natural gas consumption is expected to increase by 25 per cent by 2030, with 80 per cent of all gas being imported. Furthermore, as Syromyatin noted, the volumes of gas produced in Europe will decrease, due to reduced gas production in the North Sea. "In 2030, the North Sea will provide only half the amount of gas it produces today. South stream will deliver up to 63 billion cubic metres of gas, which will create a secure replacement for that."

He said that he expects that the South Stream project will be granted the status of a project of special importance in Slovenia, as has happened in Serbia.

The South Stream pipeline will be 2,385 kilometres long, of which a 266-kilometre section will run through Slovenia. According to Rick Gill, Managing Director of NaturalGasEurope, the South Stream project will bring many benefits for the economy, but since it runs through territories of nine countries, it requires consensus from all of them.

Dr Anton Bebler, President of the Euro-Atlantic Council of Slovenia agreed that the economic boom is one of the pipeline's benefits. He said: "Once the project takes place, it will diversify our civil engineering sector."

A survey has been done on the South Stream section running through Slovenia. It showed that 57 per cent of Slovenians were in favour of the project. The reasons, according to the survey, are in the first place the revival of the civil engineering sector and resulting job creation, lower prices of natural gas, and energy supply security.