

Baltic LNG Announced Cost Ineffective

Gazprom, holding 80% of the shares in Baltic LNG, has stated that development of the Shtokman field and North Stream promotion are current objectives, therefore all resources will be allocated to carry on these.

Baltic LNG was a project to build a liquefied natural gas plant in the Leningrad region. Defining the would-be plant's capacity and the needed capital took Gazprom and the other stakeholder, Sovkomflot (holding a 20% stake), quite a time. Now the both partners have admitted that they lack funds and resources to continue the project. Anyway, the decision to drop the Baltic LNG project was reasonable, as giant investments are required for the Shtokman field exploration and for North Stream, and their implementation in shortest time possible is a priority. Foreign partners do not intend to take part in the project either, which proves that the monopoly adopted the right decision.

By Kirill Lebedev