

# **Alternative Gas supply to be secured, TANAP to speed up South Stream, benefits for Serbia and Balkan/SEE power market**

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First quantities of the gas in South Stream project in Balkans and South East Europe markets might flow as end of 2015. Serbia is one of the key auxiliary connection routes for Balkans market supply. The construction of South Stream pipeline will start in December this year and final pipeline will be completed in 2017. Azerbaijan-Turkish gas supply project TANAP will speed up the South Stream project as Nabuko future becomes unstable. Serbian gas network is moderately developed as well as the projected gas consumption specially within the industrial consumers.

According to Gazprom CEO Aleksey Miller and his presentation on the company shareholder meeting, total capacity of South Stream will be 63 billion m<sup>3</sup>. The aim of South Stream project construction is the multiplication of transit routes for Russian gas and to avoid any blackmails from countries where the pipes are located as transit routes.

Laying of pipes in Black sea is quite expensive but with this approach unpleasant talks with some transit countries will be avoided. Aleksey Miller claims that by November 2012 complete project documentation will be completed. Experts have different opinions on construction price of South Stream project, one saying 10 BMEUR to others claiming that it will be twice expensive.

In the same time Azerbaijan is starting preparation for the construction of its own gas supply pipeline to Europe, as it could not wait any longer for Nabuko project which was supported by US and only with words and not with capital equity. Turkey and