

GazpromNeft Serbia and the reform of mining rents, costs and benefis

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Increase of mining rent for crude oil and natural gas wouldn't be a good strategic move for Serbian economy at this point. GazpromNeft's investments in Pancevo's refinery and modernization of retail network are more important to Serbian economy than effect which would mining rent increase bring on budget incomes growth.

Investments in NIS modernization, where we mustn't forget Novi Sad's refinery future basis of GazpromNeft for base oil production, are meaningful for Serbian industry because Serbian companies are hired mostly in this business. We know how hard is to get job which will hire domestic capacities and what will be paid on time- stated Vice President of Serbian Chamber of Commerce Mihailo Vesovic.

Further more President of Serbian Chamber of Commerce Mihailo Vesovic stressed in statement that in case Serbia insists on mining rent increase from 3 to 7%, NIS i.e. GazpromNeft can change its mind and decrease investments. Vesovic asks question if mining rent is a tax or an additional cost for the company and stresses that we should be very careful in giving this answer in order to manage better effects for Serbian country and industry.

- The company started its positioning on Serbian market since Russians came to NIS, but GazpromNeft, as mayor owner, announces expansion in the region. It is already noticeable that NIS spread its work in two sectors, in research and exploitation area in Republic of Srpska, Hungary and Romania and in retail sector in Republic of Srpska i.e. Bosnia and Herzegovina, Romania and Bulgaria. I'll also remind that NIS announced geological research in the following period. Although, NIS is in mayor ownership of Russia, NIS is Serbian company and it is good that one our firm crossed borders and does successful business with other countries. Some of these countries are EU members. We should learn on example from

others because investment ambient has to be attractive, because in lack of investors, we have to think how to attract some of them- concludes Vesovic.

Source Serbia Energy Magazine