



Market liberalization projections, Serbia Energy Report 2012

New Energy Act in Serbia invites additional energy giants from all power generation and energy trade business. Will this fact interrupt already present giants like Gazprom, RWE and Asian companies penetrating the market and using it as focal point for expansion into region? Liberalization of electricity trade and CO2 will bring investors and service companies into the market. Feed in tariffs now assured with liberalized market regulations allows Green energy producers to export their electricity to EU markets. Environmental projects, in line with power plants modernization cycles, in the pipeline until 2017 funded by EU, will expand this energy market segment with technology holders from Europe and Japan, whose companies are testing the ground.

New Serbian Energy Law initiated the process of harmonization of Serbia with EU energy policy, fulfilling all obligations in accordance with Energy Community for South East Europe treaty which was the first EU regional sector policy mechanism initiated in 2003. The EU harmonization path in Serbia has different phases, obstacles and lessons learned covering all energy issues like electricity, emissions and its trade but also environment, oil and gas industry. New Energy act came as a result of harmonization process, one might say even more as a result of pressure coming down from Vienna and Brussels. Different segments of the market are included with clear flow chart of activities and regulations, most important the liberalization of the market. The new energy regulations adopted all recommendations from Second package of Energy community, additional adjustments and changes could be sought also once the third package of Energy community is in implementation.

Market liberalization

The new energy act pins the liberalization of electricity market as of January, 2013, allowing the big consumers to choose their suppliers in accordance with market conditions. Considering the fact that Serbia hosted several big industrial companies coming from all over world, energy consumption and demand will be increased in coming years. As one of the remaining emerging markets on the outskirts of the European Union, the local market is offering suitable conditions for work intensive industries, producers of different technologies. Energy expert