

## Region: Serbia and Hungary agreed on gas interconnection

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Hungarian Minister of Foreign Affairs and Trade Peter Szijjarto and Serbian Minister of Energy and Mining Aleksandar Antic signed an intergovernmental agreement to cooperate on construction and operation of natural gas interconnection between the two countries.

According to Minister Szijjarto, bids for the reservation of capacities of the Serbian-Hungarian interconnection will be launched in September and the maximum capacity of the interconnector will be 10 billion cubic meters. The amount of Hungary's investment in the project will depend on the capacity reservations made by the various gas companies.

The bidding process will last until the end of September, followed by the signing of gas trade contracts. Construction of the interconnector is scheduled to start next summer and the project is estimated to be completed by the end of 2021.

Minister Szijjarto noted that Russia and Ukraine have yet to sign a new gas transit deal for 2020. Meanwhile, Hungary's allies were also taking too long to make the decisions that would allow the country to import gas from new sources. Therefore, Hungary's most realistic option of a new gas supply route was Russian natural gas via TurkStream gas pipeline, passing through Bulgaria and Serbia.

On 17 May, the construction of 403 kilometers long Serbian section of TurkStream gas pipeline extension, connecting Bulgarian and Hungarian borders, has officially started. Permits for preparatory works on the first three sections of the pipeline through Serbia, totaling 300 kilometers, has already been issued. The first section stretches from Bulgarian border to the city of Cuprija, the second one from Cuprija to the Danube and the third one from the Danube to the city of Zrenjanin. Construction permits for sections 2 and 3 have been issued as well, while the one for section 1 will be issued in the following days. The expropriation procedures for the entire route have been completed.

With an envisaged capacity of almost 14 billion cubic meters of gas per year, 403 kilometers long Serbian section should be put into operation as early as 2020, and reach its full capacity during 2022. The operator of the pipeline in Serbia is local company Gastrans, a joint venture between Russian Gazprom and state-owned gas company Srbijagas.