

Republika Srpska: Gazprom South Stream arm to RS, registration of a joint venture in early 2014

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Joint venture of Russian "Gazprom" and "Gas Res" from the Republic of Srpska, for construction gas pipeline "South Stream", should be registered early next year as the Acting Director of the "Gas Res" Slobodan Puhac announced. Puhac said that after the registration of the company in Switzerland, follow preparation of a study of technical and economic feasibility, preliminary design, detailed design and tender, in order to move to the stage of investment and the start of works in 2015.

He recalled that in the future agreement of the Russian Federation and the Council of Ministers and the agreement on the distribution and settlement of liabilities for gas from the war period should be adopted as conditional documents for this project.

"These two documents are one of the key factors, and other technical and other substrates we prepare according to clearly defined obligations of 'road map'", said Puhac.

He added that the amount of funds which Republic of Serbian should provide, will be known only after the study of technical and economic feasibility, but according to what "Gazprom" provides as project funding, it will not be a major commitment.

"Gazprom opens the space in commercial banks, typically 70 percent loan and 30 percent of the participation, which needs to be shared at our 40 percent, so we'll see how much money we will need in what stage of the project," said Puhac.

According to earlier announcements, the construction of gas pipeline "South Stream" through the Republic of Srpska should start in early 2015.

Source; Serbia Energy See desk