



It is nothing new that politics often embeds in financial profits, especially when it has to do with the control of state.

For example, the Russian energy giant Gasprom, which is the biggest supplier of more than 25 states, can be considered as one case.

There is general agreement between Gasprom and Serbia for energy supply and according to this agreement 5 billion cubic meters are guaranteed to draw back in the following ten years.

Amounts are guaranteed, energy security insured with condition that Serbia pays off 30 million dollars debt for gas delivered in period since November to January 2001.

What about price? How does it reflect readiness of Kremlin to win some markets where competition exists, with lower prices while it holds full price and complete monopoly on other markets.

Serbia pays 488 dollars for 1000 cubic meters of Russian gas. It is forecasted that price on European market will be 370 dollars, and in Britain 230 dollars.

Is it friendly price at time when Russia offer 160 dollars gas to Ukraine on condition to join Customs Union of Russia, Belarus and Kazakhstan?

It is good that Serbia entered the South Stream project-pipeline, gas warehouse Banatski dvor and agreed with Russia about electricity participation. Not only because this pipeline is completely rare and safe investment in Serbia, worth 1,7 billion Euros, but also because Russian gas is doubtless more rational choice than Algerian, for example.

There is no doubt that price for Russian gas is too high- "unacceptable" says Deputy Minister of Energy. "Gas price has to decrease, or we don't need to use gas at all".

We don't have to use gas! Everyone knows that Serbia is not in position to choose. So gas price in Bulgaria decreases and in Serbia increases.

A lot of it stems from the fact that countries in region made 50:50 agreements with Gasprom, and Belgrade accepted agreement to pay 51% to Russian company.

Was that Belgrade's need to thank Moscow for Kosovo problem support or result of bad negotiation of Serbia? -we will maybe find out one day.

While we don't, Moscow will decide about Russian gas price for Serbia and it shouldn't be the subject in January.

Russian partner obviously has serious financial maneuver space but it turns out that Slavic and Orthodox sister Serbia is not classified as a state qualified for discount.

Minister of Energy has recently announced the inevitability of cheap electricity price increase. Maybe this state could fight for expensive gas price decrease with friendly policy arguments instead of financial, economical and own interests' reasons.

Despite the recent talks Serbia Energy news desk believes that presence of GazpromNeft is essential for Serbian economy, it's a different question did Serbia reached maximum in

negotiations.

*Source Serbia Energy Magazine*