

"In Serbia, everything is ready for starting works on the gas pipeline "South Stream", which value is 1.9 billion euros," director of "Srbijagas" Dusan Bajatovic explained. The construction of part which is passing through Serbia, that symbolically started by welding pipes on November 24th last year in Sajkas near to Novi Sad, the company "South Stream Serbia" will realize which is consisted of Russian "Gazprom" and Serbian "Srbijagas". In this company, whose executive director is Bajatovic, "Gazprom" has 51, and "Srbijagas" 49 percent ownership.

Completion of the pipeline is planned in two years, and the work will begin in July at more places in Vojvodina and central Serbia where are finished a law-property activities. Also property will be expropriated where it was not done.

And director for International Projects of "Gazprom" Alexander Siromjatin confirmed that the construction of the section of the pipeline through Serbia could begin in July. He added that in two weeks should be signed contract about "Gazprom's" loan to "Srbijagas" and that next week should be announced the winner of the tender for the contractor.

Sertic: The pipeline brings stability

"Construction of the "South Stream" will be crucial to the energy security and economic stability of Serbia and the countries through which it will pass," President of the Serbian Chamber of Commerce, Zeljko Sertic said. At the meeting in the Chamber, he pointed out on the role of Serbia in the Balkan energy market that the realization of this pipeline in the long run would provide a stable and sustainable development of Serbia and the region.

Bajatović said that our country would not give guarantees to "Srbijagas" for construction of "South Stream", but a loan for the investment was arranged with "Gazprom", which would be returned in dividends of the project. It is a guarantee for a loan to "Srbijagas" from 75 million euros to cover initial role in the "South Stream Serbia". In the budget for this year, this guarantee is not predicted, although it has been proposed by the Ministry of Energy, but the Ministry of Finance has not admitted it because of restrictive policies.

Gas pipeline project will be carried out strictly according to plan, the main work on the territory of Serbia will begin in the summer of this year. The "Srbijagas" will obtain from "Gazprom" loan of 175 million euros for financing construction of "South Stream" part which goes through Serbia. The interest rate is 4.25 percent per year, with a grace period until start of operation of the pipeline.

The capacity of the gas pipeline through Serbia will amount to 40 billion cubic meters, and total length of the section is about 420 kilometers, with a planned prongs for the Republic of Srpska and Croatia. Speaking about the possibility of construction of a third pipeline's prong, in Paracin left an option to construct prongs towards Macedonia as well as for Kosovo and Metohija, Bajatovic said.

"We will try to be involved Serbian and Russian companies," Bajatovic said.

Feasibility Study of "Gazprom export" has determined that the project on Serbian territory

would attract investments of around 1.5 billion euros. Overall, this will improve the prospects of Serbian industry. During the construction of the pipeline, Serbia will directly and indirectly, employ tens of thousands of people, thus contributing to the economic recovery of the country. Around 3.500 workers will remain permanently employed in the maintenance of the pipeline.