

Serbia: EC withdrew the proposal for imposing sanctions against Serbia

Categories : [News Serbia Energy](#)

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The Energy Community (EC) Secretariat confirmed that the proposal for imposing sanctions against Serbia has been withdrawn from the agenda of the Ministerial Council meeting in Sarajevo on 14 October.

The statement from the EC Secretariat said that after the efficient and dedicated dialogue of its Director Janez Kopac and Serbian Minister of Energy and Mining Aleksandar Antic, an agreement was reached on binding action plan for the restructuring of Srbijagas, which will also set the basis for the establishment of Transportgas Srbija, the future Serbian natural gas transmission system operator, in accordance with the Third Energy Package.

The statement further said that on 11 October, Serbian Government adopted a decree, which obliges gas companies in Serbia to comply with the action plan for Srbijagas and that the Ministry of Energy and Mining will regularly submit the report to the EC Secretariat and will guarantee the transparency of the process. Therefore, it was agreed that Secretariat will suspend the request for imposing sanctions against Serbia during this year's meeting in Sarajevo. The failure of Serbia to comply with its previous obligations was characterized as serious and persistent, but the Government has expressed strong determination to finally resolve the issue.

In its report published in late September, the EC found that the separation of activities has not been fully completed in state-owned power utility EPS either, although some progress has been made on this matter and EC is demanding for quick assessment whether Serbia needs regulated electricity prices or not. EC also assessed that in the field of renewable energy Serbia has not made significant progress, while in the field of environmental protection the country failed to introduce the Directive on sulfur in fuel in the national legislature. Serbia did not resolve the key issue of non-compliance with the EU acquis, which represents a persistent and continuous violation of obligations under the Energy Community Treaty – the separation of activities in Srbijagas and Jugorosgas in accordance with the Second Energy Package and the Third Energy Package.