

Energy Community seeks from Serbia forming of the separate companies for the gas transmission and sale. “Srbijagas” and “Jugorosgas” need to separate the activities of transmission and sales, as the Energy Community requires it, but it must be done in a way that suits to the interests of Serbia, and also not to endanger the free market postulates. Media speculation about the Energy Community request was confirmed by Vojislav Vuletic , General Secretary of the Serbia gas association.

“Such a requirement of the Energy Community has a purpose to provide easier access to the Serbian market from abroad. With respect to the gas sale the market orientation is something that is definitely needed, but Serbia does not need to accept requests that do not suit it. It should be realistic for the issue and protect own interests”, he said.

“For example, in which way we were allowed to approach to the German gas market? Thus, the separation of activities has to be done, but only legally, through the creation of a holding company. This means that holding “Srbijagas” and holding “Jugorosgas” should be created. Within these two holding, would be operated special companies for transportation and supply. The holding existence in the gas business is quite a common thing and there is no reason that such holding companies would not be formed in Serbia. Thus the free market would not been endangered, as in Serbia already operate more than thirty public suppliers who supply consumers by ‘blue energy source’ “.

On the other hand Vuletic said that the complete separation of transport and supply would not suit to the interests of Serbia, neither to “Srbijagas” or “Jugorosgas.”

“Government is a wholly owned of “Srbijagas”, and the minority owner of “Jugorosgas”. The question is: why would these two companies give up on opportunities to sell gas, and to become only a “carters who transport cargo” while others generate gainful profit by selling? In such behavior would not be any business logic. Therefore the activities organizing through holding at the same time protects the interests of Serbia and do not disturb the market orientation in the gas distribution and transport “, said Vojislav Vuletic.

Dusan Bajatovic, “Srbijagas” director, explains that according the reorganization plan which this company has proposed to the Government of Serbia, financial restructuring and legal separation of energy activities within the “Srbijagas” as the holding company will be completed in three phases by the end of next year and will be fully in line with the third energy package.

“Separation Project was developed in cooperation with the European Commission, which financed it”, points out Bajatovic.

Dirk Buschle, deputy director of the Energy Community Secretariat, said that “Srbijagas” and “Jugorosgas” urgent needed to separate the activities of gas transmission and sale. He said the deadline for unbundling in Serbian gas companies expired even in 2006<sup>th</sup> Secretariat of the Energy Community asked of Serbia to respond on this issue until mid-September

“We will see whether Serbia eliminate this violation of the Energy Community rules or will provide new information”, concluded Buschle.

Source; Serbia Energy/Danas