

“Gazprom” offered to finance the construction of the gas pipeline “South Stream” in Serbia, worth 1.7 billion EUR, announced from the company “Gazprom export”. According to the proposal, Serbia would repay it from the proceeds received from transit fees.

As stated, “Gazprom” and “Srbijagas” continue discussions on the mechanism of financing the project, and the offer will not change agreements and Action Plan that are already effective.

According to the Action Plan, the start of construction of the gas pipeline “South Stream” in Serbia is in plan for January 2014, states in the information of “Gazprom export” on the “South Stream” project.

Alexey Miller, head of “Gazprom” recently said that construction could begin earlier, in December 2013, given that the “South Stream” project develops not only according to the plan, but also ahead of schedule, said in “Gazprom export”.

Work completion and starting gas deliveries to Serbia are in plan for 2016.

According to the “Gazprom Export”, joint company of “Gazprom” and “Srbijagas”, which is responsible for the project of gas pipeline “South Stream” in Serbia, the budget draft of “South Stream Serbia” for 2013 envisages expenditure of 115 MEUR.

The budget for 2014 will be formed at the end of 2013, after the implementation of the work program for this year, added in the “Gazprom export” information for the “South Stream” project.

It also states that “Gazprom”, as the majority owner of the “South Stream Serbia” decided the headquarters to be in Switzerland in order to provide investment guarantees and because of the conditions that the Swiss legal system offered.

The information about the “South Stream” also states that the project will be the main investment source in Serbia.

“The feasibility study determined that the project on Serbian territory would attract investments of around 1.5 billion EUR and would create 2,200 new jobs. Generally, this will improve the prospects of Serbian industry”, said in the “Gazprom Export” statement.

It is also added that a final investment decision for the Bulgarian section of the “South Stream” was adopted in November 2012, and “Gazprom” is ready to do everything to the company to implement a project on time, so that the first gas can flow in 2015.

“The construction layout of the South Stream in Bulgaria will not affect the planned schedule of the South Stream construction in Serbia”, states.

The final route of the South Stream underwater part provides four branches that lead to the Bulgarian coast and further gas transport through a natural gas pipeline through Serbia, Hungary and Slovenia to northern Italy, with arms that separate from Serbia to Croatia and Republika Srpska.

Also recalls that on 2 October 2013 The Board of Directors of “South Stream Transport” company approved detailed construction plan, adopted a long-term company budget and

confirmed the commissioning of the first “South Stream” subway line before the end of 2015.

The “Gazprom export” and “South Stream Transport” also signed the Agreement on the gas transfer at the meeting.

According to the “Gazprom export”, “South Stream” will increase the supply security of Serbia and Europe through the route diversification that connects European consumers with the world’s largest gas reserves in Russia.

Source: Serbia Energy