

Will the Srbijagas affair infect South Stream in Serbia? Does this project have opponent in the Serbian government? Will the Minister of Energy Zorana Mihajlovic establish control over the project, which she denied? Will the Russians build gas pipeline through Serbia, and at what cost?

In Nemanjina 11, according to the prime minister, dominate unity and cooperation, outside everyone see an war between the Minister of Energy Zorana Mihajlovic and Director of Srbijagas Dusan Bajatovic. It is even announced Srbijagas bankruptcy. It is not clear whether there is money for gas in the next heating season, but it is clear that Serbia does not have money for its part of the South Stream pipeline, which is announced as a historic and whose construction through Serbia is expected to begin in December 2013th or in January 2014.

Chairman of the Gazprom Board Alexei Miller said on 2nd October that Gazprom was ready to finance the entire construction of the gas pipeline through Serbia, worth 1.7 billion \$, while the Serbian side should pay its investment share from transit fees when gas flowed, what appeared to be some kind of turning into a joint inlaying in concession. In the local media of short memory it was announced with consolation as the Russian offer, although that solution was mentioned in May 2013th in the statement of the Director of Srbijagas Dusan Bajatovic that South Stream through Serbia would be fully financed by Russian banks and Gazprom ... The details such as interest rates were not discussed in public.

Also the adviser to Prime Minister for Energy, former minister Petar Skundric, said in early October that the Serbian side provided what was needed to be provided for the start of the South Stream construction, and that the total funding would be contracted and financial structure determined in consultation with the general leader of this project, Gazprom. According Skundric the funding of the construction of the South Stream pipeline through Serbia would not be affected by the Government measures.

Miller attended a meeting of the Board of South Stream Transport BV on 2nd October in Paris, where was adopted a detailed construction plan, approved long-term budget and hinted breaking - in of the first four lines in the marine part of the South Stream gas pipeline by the end of 2015.

SOMEONE STOPS

The works beginning on the Serbian section of the pipeline were announced even on 7th December 2012th when the Russian President Vladimir Putin opened in the Russian city of Anapa, at the compressor station Ruskaja in Krasnodar, on the south of Russia, construction works on the underwater part of the international gas pipeline South Stream worth 16.5 billion EUR.

At the beginning of 2013th from the Russian side there were a couple of statements that some persons in the Serbian government argued to the South Stream construction. Some recognized the G17 (URS) in this, because of the opposition to the oil-gas arrangement with

Russia, although this party voted later for the South Stream.

While FVPG (first vice president of the government) Vucic declared that would launch from the government anyone who destroyed the energy agreement with Russia, according to some media they have recognized as opponent the Minister of Energy, Development and the Environmental Protection Zorana Mihajlovic and reminded that she used to, when she was not a member of Serbian progressive party, but member of G17 and the advisory board of the East West Bridge (freeze function while she is in government) write reports against the Russian-Serbian energy arrangement to the NGO Center for international and Security Affairs ISAC fund and give many statements about the benefits of the "Nabucco" project - which was frozen in the meantime.

Answering on these suspicions, she said on 11th July at the meeting "South Stream - The evolution of gas": "Although malicious tongues attempt to present this government as effectless one, me as a minister who does not like Russians, or who lobby for anything but not for the Russians, I just remind you that we, at my proposal, passed a expropriation law, regulations without which we could not talk about the South Stream construction, and provided funds in the budget".

However, her recent statements in the emission "The Insider" of B92 about South Stream, registration of Serbian-Russian company in Switzerland, in Europe and outside the European Union, intermediaries in the gas trading (Jugorosgaz) and Srbijagas, in some media have renewed ancient debts.

Voice of Russia on the Serbian published on 2nd October an article by Branko Zujovic titled "Lady Minister about which Nusic did not even dream":

"In the famous piece of Branislav Nusic, Zivka Popovic tries to remarry her already married daughter Dara for the leather merchant Risto Todorovic, honorary consul of Nicaragua, in a similar way to how a new Lady Minister with Insider tries to remarry Serbia for EU energy interests. Occasion for the suspicion that Minister works against the main project in its department was also agreement on the pipeline (interconnection to supply diversification) Nis-Sofia with Bulgaria, which, otherwise, imports 87 percent of gas from Russia, whose officials say to the agency Bloomberg that they think about energy alternatives, which were initially financed from EU funds.

According to Milan Mistic' article in "Politika", at the recent meeting in Washington as a American diplomacy success was mentioned the so-called Southern Corridor, which bypassing Russia, would led gas from the Caspian region in Europe. Under this name there is a gas pipeline in Russia, it is probably a descriptive name for the gas pipeline system, which also includes Transadriatic pipeline - TAP, which is registered in Baar, in the canton of Zug, in Switzerland, and whose shareholders are Swiss Axpo, Norwegian Statoil and German E.ON Ruhrgas). That pipeline, which has been carried out from the 2003rd should go from Turkey over Greece and Albania under the Adriatic Sea to southern Italy.

PRICE OF FREE LUNCH

“New Standard” published an Zoran Radojicic’ article about the “Bulgarian connection” entitled “Gas connection between Serbia and Bulgaria is preparation for the final assault on the South Stream”: “This gas connection is completely unnecessary and illogical for Serbia if we start from the fact that from the direction of Bulgaria should get the highway pipeline. Lateral and reserved gas connection has sense to be built only after the completion of the main gas pipeline South Stream, and certainly not in the direction of Bulgaria. Statement of Minister about the gas connection between Serbia and Bulgaria point out that she wants to relativize the South Stream importance, and to present gas connection with Bulgaria as equally important. Moreover, she wants to accelerate this relationship, namely to put the priority of its construction in front of the South Stream gas, ostensibly for the independence achieving in these tough times. That is classic thesis replacement and shamelessly spinning of the public ...”

Interconnection with Bulgaria should be financed by the European Bank for Reconstruction and Development, and by some statements her condition is the Srbijagas transformation... In the several electronic media were announced suspicions that minister actually undermines the South Stream over the Srbijagas affair, and with the European bank inclusion in Srbijagas risks to angry Russians. “Anyway, even if the attempt to mine the South Stream eventually fails, the ‘Insider’ authors and their managers should not be blamed that they ‘tried everything’ “, writes Djordje Vukadinovic in the text “Kosovo is done, let South Stream be prepared “on the site NSPM on Friday 27th September 2013.
Source; Serbia Energy/Vreme