

Serbia: Gazprom, Srbijagas and Minister of Mining meeting on South Stream financial concerns

Categories : [News Serbia Energy](#)

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A meeting of Alexey Miller, Chairman of the Gazprom Management Committee, Milan Bacevic, Minister of Natural Resources, Mining and Spatial Planning of the Republic of Serbia and Dusan Bajatovic, Director General of Srbijagas took place as part of the St. Petersburg International Economic Forum 2013.

The meeting focused on the economic and technological aspects of the South Stream project implementation in Serbia. In particular, the parties addressed the financial aspects of the Serbian section construction as well as the joint project company operation.

In addition, the meeting participants discussed the progress with the long term contract for Russian gas supplies to Serbia.

Background

In 2012 Gazprom Group supplied Serbia with 1.5 billion cubic meters of natural gas.

Srbijagas is a state-owned company dealing with natural gas transmission, distribution and storage in Serbia.

With a view to diversify the natural gas export routes, Gazprom implements a project for the construction of a gas pipeline running under the Black Sea to Southern and Central Europe – the South Stream project. Intergovernmental agreements are signed with Bulgaria, Serbia, Hungary, Greece, Slovenia and Croatia in order to implement the onshore gas pipeline section.

In November 2009 South Stream Serbia AG joint project company was registered. Gazprom holds a 51 per cent stake in the company and Srbijagas – a 49 per cent stake.

The Banatski Dvor UGS facility was ceremonially put onstream on November 21, 2011. The UGS facility is one of the largest gas storages in Southeastern Europe. Its working gas capacity makes up 450 million cubic meters, peak deliverability – 5 million cubic meters per day.

In October 2012 a final investment decision was approved for the South Stream project in Serbia.

In February 2013 the Skupstina (Parliament) of the Republic of Serbia adopted the Law on the Public Interest and the Special Expropriation and Permitting Procedures with regard to the South Stream Construction.

In March 2013 a long-term contract was signed for Russian gas supplies to Serbia in the amount of up to 1.5 billion cubic meters of gas annually for a period of 10 years. Gas will be conveyed via the existing route and in the future - via the South Stream gas pipeline.

Source;Gazprom