

Serbia: Gazprom view on South East Europe energy security

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South Eastern Europe needs a pan-regional approach to resolving strategic issues of energy policy. Manager of Department of Gazprom International Projects, Alexander Siromyatin, announced the start of South Stream construction in Serbia in July, adding that an agreement with the contractors will be signed in three weeks and in the next two weeks also the agreement of Gazprom loan to Srbijagas for the construction of the pipeline through Serbia. A loan of about 270 MEUR is intended for incorporation of Srbijagas share in the joint company with Gazprom for the construction of South Stream in Serbia.

On the occasion of pressure from the EU to countries participating in South Stream pipeline project, he pointed out that there were different versions of the pipeline and that, depending on the situation, the pipeline route could be changed, and at the same time expressed the hope that the negotiations between Russia and the EU on the provisions application of the Third energy Package on South Stream would be positively resolved.

Technical Director of the company "South Stream Serbia" Pavel Pesidski announced that it was expected in June that for the main section of the South Stream project in Serbia to be given a positive opinion of all expertise, and noted that they worked on the land expropriation on the pipeline route.

PKS President Zeljko Sertic, on the occasion of the regional energy projects, said that the construction of the South Stream pipeline would have a crucial importance for energy security, and economic stability of the country through which it would pass.

"One of the biggest investments in Serbia over the past several decades worth almost two billion EUR will bring direct and indirect benefits to the Serbian economy, attracting investors and encourage new job creation", said Sertic.

He pointed out that the use of Serbian economy and the region would be visible to the early works, in which would be directly engaged thousands of people, and indirectly many more workers, construction companies, equipment manufacturers, project organizations and institutes, as well as companies from the service activities.

According to him, numerous experts will be hired in the pipeline maintenance during exploitation, and after completion of the work it will remain our transportation and electricity infrastructure and other supporting facilities.

"The realization of the South Stream project in the long term will provide a stable and sustainable development of the local economy and the region's economy, especially manufacturing industry that uses gas as a fuel or raw material in the production", said Sertic. He reminded that the Chambers of Commerce of Serbia, Bulgaria and Hungary established a Balkan energy initiative, because they recognized the necessity of institutional organization and the specific involvement of companies' representatives potentially interested in one of the priority areas.

The goal is to achieve consensus in Southeast Europe in terms of energy policy, said Sertic.

The state secretary in the Ministry of Mining and Energy of Serbia Mirjana Filipovic said that the start of the land expropriation for the pipeline impends and that the issue of a loan from Gazprom to close the financial construction should be resolved. Special attention in the future, as she said, will be devoted to the construction of gas interconnections and increased storage capacities.

Representatives of the Ministry of National Development of Hungary and Bulgaria Commerce and Industry Chamber agreed that it was necessary to connect the power network in the region and to conciliate on all issues.

Head of Department for the NIS Strategic Development Ana Macic pointed out that the NIS goal was to grow from the nation into a regional energy company and therefore the company had already spread into the region in the retail market of Bulgaria, Romania and Bosnia, as well as in research area in Romania, Hungary and Bosnia.

Pointing out that the NIS in Serbia invested about 490 MEUR last year, it announced that it was planned to invest two billion EUR more by 2020th , and precisely in the further refinery modernization in Pancevo for deep processing, which should be completed by the end of 2017th , than in the modernization of base oil refinery in Novi Sad by the end of 2015th and development of new sales channels in the region, as well as in the plants for the electricity production, wind farm Plandiste and cogeneration plants.

Issues to be addressed are related to increasing energy efficiency and the share of renewable sources in total energy consumption, as well as meeting the requirements of European energy policy, and the third energy package.

The conference was attended by the ambassadors of Russia in Serbia Alexander Chepurin and of France Francois Xavier Deniau, who stressed the importance of establishing the energy stock exchange in Serbia, in cooperation of Elektromreze Srbija and a French company.