

Serbia: GazpromNeft surprised by investigation in NIS Oil company privatization

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The company "Gazprom Neft" binds investigation of privatization of Oil company NIS sale with the investment climate in Serbia, said the first deputy general director of the company Vadim Jakovljević. NIS is one of the largest vertically integrated oil companies in Central Europe.

"Frankly, we were surprised by the initiated investigation (related to NIS sale in 2008th)", said Jakovljević.

"Since we have operated in Serbia from 2008th, our relations with the government of Serbia have been the partnership and we all resolved through dialogue. Intergovernmental agreement between the Russian Federation and Serbia are defined relations in the sphere of energy and the mutual obligations of the parties", noted Jakovljević.

He stressed that "Gazprom Neft", as a participant in the implementation of intergovernmental agreements, fulfilled its obligations – it implemented modernization, invested the necessary funds into NIS development, expanded retail network of gas stations and increased resources.

"As a result, NIS has become the most successful company and the largest tax payer. We went out on the Belgrade Stock Exchange, and we regularly pay dividends", said Jakovljević.

All this has been possible largely thanks to positive, according to our estimates, the investment climate that has been created in the country based on an intergovernmental agreement, said Jakovljević.

"We will follow the mentioned investigation and evaluate how it affects the working conditions in the country. For us is important the investment climate in Serbia", said Jakovljević.

He stressed that the investigation related to NIS, it is not directly related to the management of the company "Gazprom Neft".

Serbian Interior Minister Nebojsa Stefanovic formed the special investigation team two days ago in order to examine all the facts and circumstances related to NIS privatization, announced the Ministry of Interior.

Russian agency reminds that by the requirements sent to the Serbian Prime Minister Aleksandar Vucic to publish details of contracts with investors from the United Arab Emirates (UAE), the opposition drew attention to NIS sale.

The aforementioned requirements are, to recall, related to a contract of sale of 49 percent stake in "Air Serbia" to the Company "Etihad Airways" . Companies NIS and "Air Serbia" are part of a strategic partnership between Serbia and Russia and the United Arab Emirates.

NIS is majority owned by Russia's Gazprom Neft, since 2008th, when by the Intergovernmental Agreement between the Russian Federation and Serbia 51 percent of NIS shares was sold to Gazprom Neft for 400 MEUR with a commitment of Russian partner to invest about 550 MEUR until 2012th in the modernization of Pancevo refinery, which was done on time.

It was predicted within the agreement that the company "Gazprom" builds a section of pipeline "South Stream" through Serbia and to modernize the underground gas storage "Banatski Dvor".

"Gazprom Neft" now owns 56.15 percent of NIS shares, 29.87 percent of the stake is owned by Serbia and the rest is in the hands of 2.7 million of the minority shareholders.

NIS is one of the largest vertically integrated oil companies in Central Europe.

NIS produces around one million tons of oil per year and has refineries in Pancevo and Novi Sad, the total processing capacity of 7.3 million tons per year, as well as a large network of gas stations.