

Serbia: Investigation of GazpromNeft privatization of Oil Company of Serbia and energy deal, Oil fields were illegally sold

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Date : August 21, 2014

At this point it is not possible to assess the achievements of the working group which has established the Ministry of the Interior for checking the privatization of the Oil Industry of Serbia, or what might happen if, for example, it finds out that the sale of the majority stake of the public enterprise was hazardous work.

In fact, according to the lawyer Slobodan Beljanski, it is difficult to determine what would be the legal consequences, because it is true that in some situations, it may seek the contract annulment, but it is much harder to do it when it comes to international business. The more interesting question for Beljanski is why the police had formed a working group which should determine whether there is criminal responsibility.

- Such an initiative should come from the prosecution and that it then to give the task to the police to clarify the circumstances under which the sale was made. This, however, did not occur - indicates Beljanski.

The Council for the Fight against Corruption also once had doubt in the contract legality of NIS sale, which then forwarded warning to the Government that natural resources should not be privatization subject.

- I was appalled that the contract of NIS sale also includes oil fields, natural resource which under our laws, especially under the Law on Privatization must not be sold. The Council wrote a report to the Government in which it says that by the treaty obligations it cannot be disposed of natural resources, but we did not even have the feedback - told for "Danas" the Council member, Jelisaveta Vasilic, and adds that also disputable is and that even compensation for the exploitation of oil resources has been limited.

As evidence that there are problems in the contract with the Russian side also confirms the fact that during a recent visit to Moscow, Prime Minister Aleksandar Vucic, according to his own statement, discussed with Putin about the parts of the contract of NIS sale, but he did not state the details.

The price for 51 percent of the shares also was disputable in the public at the time of the sale, which as many people were claiming, was far below the estimated value of the entire company, which was around two billion EUR. Officials then pointed that it was "compensated" by the buyer's obligation, the Russian Gazprom Neft, to invest over half a billion EUR, which was realized.

To recall, NIS was privatized in December 2008th, as part of a package of energy agreements with Russia, which was made a year ago, during the Kostunica government. The then prime ministers of the two countries, Mirko Cvetkovic and Dmitry Medvedev have contracted sale, and guarantee that the job will be completed, signed the Presidents Boris Tadic and Vladimir Putin. The negotiating team appointed by the Government, led by the Borislav Stefanovic, a member Dusan Bajatovic established details of the transaction in direct negotiations. Precisely these two last participants in this business are usually mentioned in the media as "targets" of the working group set up by the police and as the first ones who will be interrogate on that issue.

Stefanovic, who is now the vice-president of the Democratic Party, yesterday for Beta agency dismissed the allegations that the contract of NIS sale was detrimental to Serbia and said that the story was launched only in order to "hide the secret agreements" of the current government with companies from the United Arab Emirates and "other agreements signed by the Government led by SNS".

- Agreement has been ratified also in the Serbian Parliament. Then the radicals, led by Tomislav Nikolic also voted for it. And they know it very well, but now raise the issue to hide their secret agreements that are really secret, unlike the ones we have achieved - Stefanovic said.

He said that the special team establishment was a "substantial abuse of the police", but confirmed that he would respond if they called him, "because his goal is to establish the truth." "However, if they want a full investigation, why do not also invite the top of the Russian Federation and Gazprom directors", said Stefanovic, adding that his task was only to operationalize the things agreed upon the roof energy deal of the two sides. "We tried to protect the rights of employees and put the social component in the contract, as well as to deposit things related to the (pipeline) South Stream and the modernization of the refinery", Stefanovic said, adding that the Russian side was constantly referred to the roof agreement and also did not want to discuss issues such as, for example, a mineral rent.

Transparency: Examine all those involved in the energy agreement

Belgrade - A non-governmental organization Transparency of Serbia announced that interrogation of NIS privatization should include all who negotiated and signed an energy agreement with Russia. From the news that the Ministry of the Interior forms a special investigation team to examine NIS privatization, it is not clear what will be the subject of examination, states in the statement. It is pointed out that the contract for NIS privatization was concluded on the basis of "oil and gas agreement" between Serbia and Russia and ratified by the voices of the vast majority of MPs.

Already in this agreement was agreed most of the details marked as controversial and potentially harmful as the price that will be paid for NIS, maintaining the privileged treatment of taxes and ore rents, the absence of guarantee in case of delay in realization of the South Stream pipeline, says Transparency Serbia. "Therefore, it seems logical to include the interrogation of the negotiators not only of the particular contract, but also the inter-state agreement, but also all those who subsequently participated in its conclusion, namely former

ministers and MPs", said Transparency.

This NGO stated that, based on previous experiences could be assumed that the determination of any criminal liability would be very difficult, unless there was evidence of bribery.

"Legal form was satisfied by the fact that these arrangements were concluded through the 'international agreement', ratified by the Parliament which is over all local laws by its power that were broken (for example Law on privatization), and the Constitutional Court did not accept the initiative of the Liberal-Democratic party to examine the constitutionality of the agreement", recalls Transparency of Serbia. It also states that the investigation subject also could be negotiating on one contract concluded for more than half a decade ago, and still there is no willingness to change that what caused the possible misuse of negotiators with the Russian side, and the absence of an obligation to thoroughly explain the departure from the domestic regulations.

"We proposed the inclusion of such measures within the adoption of anti-corruption strategy, but the proposal was rejected without explanation. On the contrary, in recent contract cases realized on the basis of international agreements, even the basic public information is not provided , said Transparency of Serbia.