

✘ Serbia needs a clear energetic strategy and concrete programmes, as the constant growth in the consumption of oil and gas is creating an increasingly wider gap between energy-related needs and capacities for their fulfillment. Some lessons in energy security have been learnt from the Libyan crisis, when it became clear that the world needs alternative energy sources.

Europe is facing a new challenge as, after the fall of Gaddafi's regime, it became clear that it has become impossible for Libya to fulfill its obligations and supply the required quantities of oil, which, in 2010, amounted to 12% of European imports and almost 10% of Italy's demand for gas. The EU is not considering the fact that the Libyan situation could have a Somali epilogue, which could lead to a large number of refugees all over the Mediterranean, in the unstable Tunisian regime, and, more importantly, in Algeria, the third top gas exporter to Europe. Most of the gas deposits and the accompanying infrastructure have remained, however, in a relatively good condition, after six months of battles. It is too early to assess how fast the Libyan oil production will restore its pre-war level, which amounted to some 1.7 million barrels a day. An important lesson Europe can learn from the riots that have struck North Africa is that energy flows of the region have become politically far more unstable. The North African region was for a long time considered safer for investments than the Persian Gulf. This is not the case any more.

The risk premium has increased considerably and could continue growing if Algeria faces similar internal problems. A solution for Europe has already been applied - the filling of the gaps of the lost Libyan exports by Russia and Norway. It has become crystal clear that Europe's dependency from the Middle East should be reduced to a minimum. The construction of transit pipelines, to benefit all, should be a priority. The northern line has already connected Russian deposits with Germany, whereas the Southern Stream will create a new track for Russian gas travelling to southern and central Europe. Europe should also take maximal advantage of its own oil and gas resources, especially oil scales. The forecasts on imports of 20 billion cubic meters of gas from Israel and Cyprus by 2020 are much more tangible and at least as important as the implementation of the southern gas corridor strategy. By 2012, Serbia should increase the participation of electric energy from renewable sources and bio fuels in the total consumption. Serbia has reserves of some five billion tons of oil scales, from which it is possible to derive some 600,000 tons of oil annually.

Exploitation is possible at 23 sites, mostly near the town of Valjevo in the west and near the town of Vranje in the south of Serbia. Electric power as well will suffice to meet the demands of Serbian consumers, but also for exports, as 1.55 billion of kilowatt hours were produced in July in the Nikola Tesla Thermal Power Plant in Obrenovac near Belgrade. A lot

is expected from the strategic partnership with Gazprom, the majority owner of the Serbian Oil Industry. This partnership is to result in new and larger investments, which would make Serbia the energy leader in the Western Balkan region.

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