

Serbia: No delays for South Stream claims Gazprom official

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Novy Urengoy, "Gazprom" continues to build international gas pipeline the "South Stream", which passes through Serbia, and the project is going to be completed, say company leaders from "Gazprom Production Urengoy". The "South Stream" is being built and will be completed, and "Gazprom" will give its best," said General Director of "Gazprom's" daughter company of "Gazprom Production Urengoy", Mr. Sergei Mazanov to reporters on a tour of the largest continental gas field in northern Siberia.

Some dose of uncertainty in the realization of the project brought the mismatch of the South Stream with EU regulations and due to the crisis in Ukraine there are differences between Russia on one side and the U.S. with the EU on the other.

When asked to comment on the recent idea of American businessman George Soros that the U.S. should sell out its oil and gas, because that would reduce the price of Russian energy products, Tuca said that it would be "a road to a dead end," commenting that idea as "marketing" concept. That would be temporarily good for the U.S., but in the long term it would be a disaster for America while Russia would face only temporarily difficulties due to the decline of oil and gas prices.

"If European countries are looking for alternative gas supply, Russia and Gazprom are ready to go to the Asian market, but we do not want that to happen," said Mazanov, the head of the company which has an annual production of 100 billion cubic meters of gas that provide 20 percent of gas production in Russia.

The "Gazprom" does not like the fact that politics has interfered within business relationships, said Mazanov at a press conference in Novy Urengoy, the gas capital of the Russian Federation.

On the question if the South Stream is going to be built because of the Crimean crisis, Mazanov answered by question - "do your countries need Russian gas" and received a positive response from journalists from the countries on the "South Stream" pipeline route.

"European countries do need Russian gas, because it is the most cost-effective and environmentally cleanest energy source. We are ready to start gas supplies to the "South Stream" within an hour," Mazanov stressed.

He said that "Gazprom" does not feel any changes and works as before," adding that the Russian Government has asked for any changes in business of "Gazprom Production Novy Urengoy".

At the press conference it was said that in 2013 "Gazprom" increased gas export to European countries by 30 percent, which showed enough the volume of European needs for the Russian gas.

The estimation on the cost-effectiveness of the "South Stream" project was made on the grounds of the expanding planes of the production in Novy Urengoy, Mazanov said.

He said that the differences between European partners and "Gazprom" should have been overcome and the "Gazprom" is opened for cooperation with all European and American partners, from which it procures equipment.

According to Mazan, he doesn't expect a new gas crisis, and if it does happen, it will not affect the activities of "Gazprom" much, and "Gazprom" didn't suffer serious consequences during the last gas crisis in 2009.

"We are not glad that EU has become involved between the differences of the U.S. and Russia regarding the situation in Ukraine, the politics and the business should be separated," he stressed.

Deputy of General Director of "Gazprom Production Novy Urengoy", Nikolaj Tuca said that the negotiation with Asian countries on the sale of Russian gas has already been started.

"So Russia would not lose much if the West gets closed to Russian gas," said Tuca.

International gas pipeline the "South Stream", the project initiated by the Russian state company "Gazprom" in order to bypass Ukraine in delivering gas to Europe, is worth more than 16 billion euros and the delivery is expected to begin by the end of 2015.

The plan is that Russian gas is brought by pipes under the Black Sea and overland through Bulgaria, Serbia, Hungary and Slovenia to the consumers in Southeast and Western Europe, and the first works have begun on the Russian coast of the Black Sea, Bulgaria and Serbia.

The construction of the section of the "South Stream" in Serbia officially began on November 24th, 2013 and should be completed in two years, by which Serbia will get another direction of Russian gas supplying.

The value of that part of the project is 1.9 billion euros, and it will be carried out by the company "South Stream Serbia", in which "Gazprom" has 51 percent and 49 percent is the "Srbijagas" ownership.

Source; Serbia Energy