

Serbia: Permits for Turkstream extension to be issued by the end of April

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Serbian Prime Minister Ana Brnabic said that preparatory works for the construction of Serbian section of TurkStream gas pipeline extension, connecting Bulgarian and Hungarian borders, have already started and that construction permits will be issued by the end of April.

After a joint session of Serbian and Hungarian Governments, PM Brnabic said that the start of construction of the gas pipeline should follow the issuance of construction permits.

In March, Minister Antic said that the Serbian Energy Agency (AERS) has given a final approval for the construction of Serbian section of TurkStream gas pipeline that will connect Bulgarian and Hungarian borders.

In February, the Energy Community (EnC) Secretariat gave a positive opinion on the exemption granted by Serbian Energy Agency (AERS) to the project for the construction of gas pipeline connecting Bulgarian and Hungarian borders. However, EnC Secretariat said that Serbian company Gastrans, the operator of the future extension of TurkStream gas pipeline through Serbia, should offer 30 % of the pipeline's capacity to third parties. Gas should be offered on a quarterly basis and the price should not be higher than the price defined in the long-term contracts. The annual capacity of the interconnection points on the Bulgarian and Hungarian borders sold via auctions on a capacity booking platform should amount to 30 % and 35 %, respectively. The remainder should be sold to Gazprom Export and Srbijagas - the two shareholders of Gastrans. However, Director of the Energy Community Secretariat Janez Kopac said that AERS did not fulfill all conditions, envisaged by EU regulations for the construction of TurkStream gas pipeline through Serbian territory, especially those related to the improvement of competition.

Serbian Minister of Energy and Mining Aleksandar Antic said in late March that the construction of gas pipeline connecting Bulgaria and Hungary will start in April, adding that the majority of the pipeline, except the compressor stations, is expected to be completed by the end of 2019.

With an envisaged capacity of almost 14 billion cubic meters of gas per year, 403 kilometers long Serbian section should be put into operation as early as 2020, and reach its full capacity during 2022. The operator of the pipeline in Serbia is local company Gastrans, a joint venture between Russian Gazprom and state-owned gas company Srbijagas.