

## **Serbia: South Stream confidential, Ministry of energy insist on revealing Srbijagas role in the project**

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Current and former government in the last three years approved more than 100MEUR of investment in building of an international gas pipeline South Stream, and that they did not have documents that should show how this money was spent. Details of the South Stream project in Serbia, which in Serbia leads a public company Srbijagas, are marked as confidential, and still are not fully known to the government representatives.

Only in the past year to Srbijagas, which the Serbian government determined to lead South Stream project with the Russian Gazprom, has been approved to withdraw two loans: one of 30 MEUR, other of 75 MEUR. For these loans state guaranteed by the budget or the all citizens resources. Srbijagas recently announced a tender for a loan of 75 MEUR, and the representatives of the Ministry of Energy do not know which the purpose of these funds is. In response to Insider questions the Assistant Minister, Petar Stanojevic, said that the ministry recently received a feasibility study for the South Stream project. Recent b92 tv report investigation created additional confusion in serbian public.

"State Commission for South Stream and the MNE received a feasibility study [for South Stream] on 19 June 2013, but from it we cannot accurately consider the purpose of the new 75 MEUR. Currently the tender for the purchase of these assets is announced. Report of these funds purpose is scheduled tentatively for 30 September when it will be re-meeting of the state commission ", states in the response of Petar Stanojevic which yesterday was delivered to the Insider newsroom.

This practically means that the previous and current governments granted all former Srbijagas investments for the South Stream project long before the authorities submitted a feasibility study - a basic document which should show how the money is spent, whether the entire investment is profitable and when Serbia will begin to collect fees from the pipeline. On the other hand, Srbijagas director Dusan Bajatovic said that the feasibility study was completed even in 2010. and sent to the Russian side.

Zorana Mihajlović, minister of energy: You know that all starts and ends in Srbijagas, the only question is what will happen to the Srbijagas team in the meantime. So Srbijagas is a place where we can get information and Srbijagas is a place where we should get an explanation for some things. And Srbijagas when all analyzes would be completed, or I do not know, investigations of Srbijagas, then we will know what actually happened in their subsidiary companies.

B92: And did you have such a situation that Srbijagas says you, "we cannot provide you this information because of confidentiality clauses with Russian partners where they are the majority owners"?

Zorana Mihajlovic, minister of energy: No, with Srbijagas there is other way to communicate and that is not to get an answer.

B92: Really?

Zorana Mihajlovic, minister of energy: Yes, no matter how many times we ask or wait for it ... But, we will wait.

B92: But does it seem a little dismaying? Above all you are the Minister of Energy and somehow you are superior of Srbijagas...

Zorana Mihajlovic, minister of energy: Well no, you are not superior to the director.

B92: The government appoints him.

Zorana Mihajlović, ministarka energetike: Yes, the relevant minister, but the company is a separate entity and simply you cannot count on some things.

Management of Srbijagas for a year refused to submit documents and answer questions to the Insider editorial staff. In spite of that, Insider came to the number of documents that have been hidden from the public until now. In the four episodes of the new series of Insider which start on Monday, you will see why and how Serbia pay the most expensive its participation in the international project of the construction of the giant pipeline South Stream.

Source; B92/Serbia Energy