

Serbia: Srbijagas gives 175 MEUR for South Stream, loan from Gazprom

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PE Srbijagas will get loan of about 175 MEUR from Russian Gazprom for the financing the section construction of South Stream through Serbia, says Dusan Bajatovic CEO Srbijagas. Interest rate for the loan will be 4,25%/year with a grace period.

At a press conference on the occasion of the beginning of South Stream construction in Serbia, Bajatovic said that the interest rate on the loan will be 4.25 percent per year, with a grace period until the start of pipeline operation.

"These are favorable conditions that can be obtained and better conditions we will hardly get", said Bajatovic.

He said that a protocol has been signed today, and not a financial contract and that contract will be signed after approval by the Government of Serbia.

According to him, until December both Srbijagas and Gazprom will invest for 75 MEUR, while for 175 MEUR will be invested in the first quarter of next year, which will be a total of about 500 MEUR for financing the construction of the main gas pipeline.

The total value of a gas pipeline building through Serbia is estimated at around 1.9 billion EUR.

The remaining money will be provided through project financing, and Bajatovic considers that in this process of great importance will be the fact that Gazprom promised to lease all of the capacities of the gas pipeline through Serbia in the next 25 years.

Speaking about the possibility of building a third pipeline branch, Bajatovic said that in Paracin has been left the ability to make arm towards Macedonia and into Kosovo and Metohija.

Co-director of the company South Stream Serbia Aleksandar Siromjatin said that Srbijagas will occupy on this issue and that currently is not proven economic feasibility of the construction of the third pipeline branch.

Siromjatin announced that the gas would reach the consumer in 2016th.

Responding to a question about the contract details, Bajatovic said that all contracts signed by the Government of Serbia were public and that it was agreed that all the procedures were working in accordance with the transparency principle.



Source; Serbia Energy