

Serbia has completed the laying of the pipes for its section of the TurkStream gas pipeline extension in December last year. The construction of Serbian section, connecting Bulgarian and Hungarian borders, has officially started in May 2019.

Serbian Government submitted to the Parliament a draft bill for the provision of state guarantees for loans with a total value of 55 million euros to state-owned gas company Srbijagas for financing the construction of the Serbian section of the extension of TurkStream gas pipeline.

According to the draft bill, the Government is planning to issue state guarantees on loans of 10 million euros each provided by Komercijalna Banka and Sberbank Srbija, a 15 million euros loan extended by Vojvodjanska Banka, as well as a 20 million euros loan by OTP Banka.

The funds were used to finance the construction of the pipeline's section through Serbia, from Bulgarian to Hungarian border, through an investment in the capital of Swiss-based company South Stream Serbia AG, which owns the pipeline's operator Gastrans. Russian gas company Gazprom has 51 % stake in the company, while Srbijagas holds the remaining 49 %.

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.