

Serbia: Srbijagas plans to take 30 million euros loan for gas purchases

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According to Serbian media, state-owned gas distributor Srbijagas currently does not have enough funds to finance natural gas purchases for the upcoming winter season, which is why it plans to take a short-term loan in the amount of 30 million euros

The media reported that the documentation of the public procurement which was launched in midAugust states that the loan is needed to cover the company's current liquidity. However, the media argue that the real reason for obtaining the loan is the lack of funds needed to close the financial construction for natural gas deliveries with Russian Gazprom.

In order to prevent problems with gas supply during the upcoming winter season, the management of the company approved the decision to take out a short-term loan which will be repaid during 2018. The funds have to be secured by midOctober, which is a deadline for payment to Gazprom.

Director of Srbijagas Dusan Bajatovic said previously that the company has not incurred new debts for the purchase of gas since 2012 and it currently does not owe anything to Gazprom, since the all gas deliveries after 2012 were paid within deadline.

In early June, Serbian state-owned gas distributor Srbijagas and Russian gas company Gazprom have signed a Memorandum of Understanding (MoU) on the expansion of underground gas storage facility in Banatski Dvor at the International Economic Forum in St. Petersburg. The statement from Gazprom said that this MoU envisages the possibility of the capacity of Banatski Dvor gas storage to 750 million cubic meters, from current 450 million. The signed document also provides for the preparation of the technical and financial feasibility studies for the expansion of the facility.

Gazprom is the majority owner of Banatski Dvor underground gas storage with 51 % stake, while the remaining 49 % is owned by Srbijagas, In 2016, Gazprom delivered a total 1.75 billion cubic meters of natural gas to Serbia, which is 4.3 % more than in 2015.