

## Serbia: State has allocated 21.9 million euros for fuel reserve instead of buying crude oil

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Instead of buying crude oil and derivatives and thus replenishing warehouses in order to form mandatory oil reserves, as prescribed by the European Union standards, Serbia still spends tens of millions of euros to reserve a fuel overseas.

Today came into possession of the decision of the Energy Efficiency Administration of the Ministry of Mining and Energy of Serbia that came into effect on December 25 last year, by which the contract on rights to optionally purchase oil derivatives, the so-called ticket, worth 21.9 million euros, was granted to companies from abroad.

By this agreement, the state of Serbia is obliged to take certain amounts of fuel from those companies which, meanwhile, are obliged to reserve those derivatives for delivery to our country. The contract is worth 2.61 billion dinars and in the form of public procurement it was awarded to Euronova Energies from Switzerland and a group of bidders made up of Tamoza Trading Ltd from Cyprus and DS-Mineralol from Germany.

The Today's source from the energy sector explains that mandatory oil reserves can be formed and maintained in crude oil, oil derivatives as well as contractual rights to purchase certain amounts of oil and oil derivatives, with at least one third of the obligation to keep reserves should be in finished products.

"For each state, it is the cheapest to buy crude oil and derivatives and to fill in the warehouses. However, the authorities in the Government of Serbia instead are going for the most expensive option, namely the payment of oil and fuel reserves abroad, although there is currently no need." explains the source of the Belgrade newspaper.

In his words, the provision of fuel abroad, ie the purchase of fuel ticket for fuel reservations, is practiced only in extreme cases, when a country needs a fuel in a short time interval and therefore reserves it in advance. When a state purchases fuel ticket, it is compulsory for the supplier to pay for keeping the requested quantities for a particular customer, and selling them at the moment when it is needed. That is, two prices are paid for reservation and fuel that is being taken.

Today adds that at this moment, Serbia has no reason to acquire mandatory reserves of petroleum products, since the deadline for their formation is only five years.