

Serbian Prime Minister Ivica Dacic said that cooperation with Russia in the energy sector is delicate political and not just an economic issue. PM Dacic said that it is impossible that the government approved investment in the South Stream project and did not have documents to show what the money is actually spent for.

As Insider from tv station B92 published in the first episode of "Energy (lack of) agreement," the government there does not have control of what for are they spending funds approved for South Stream. In the past year, the government approved a budget of EUR 105 million guarantee to Srbijagas for loans because of implementation of the South Stream project. The Ministry of Energy has asked for information from Srbijagas what exactly is this the money for but these data were not obtained. The Prime Minister and leader of the Socialist Party of Serbia, the party whose member is Dusan Bajatovic and also Srbijagas director, said that investments in the South Stream are delicate political issue.

"We have repeatedly discussed this. Tell you what, every other step would be our expression of distrust toward Russia and in this sense it is a very delicate political issue, not just economic. Of course, this does not mean that we should allow the theft. I agree we need to minimize the scope for any kind of manipulation," Dacic said.

The project of the century, as politicians represent construction of the South Stream gas pipeline to the citizens, will be lead practically from the company registered in Switzerland in which Russia's Gazprom has a 51% stake and Srbijagas 49%. Both past and the current government have already approved investment in the company, although according to research of Insider, they could not control the spending of these funds, because the main company for South Stream is registered outside the legal system of Serbia.

Asked by reporters why the state has allowed and why it continues to tolerate the fact that the company is for the construction of the South Stream was founded in Switzerland, Prime Minister Dacic replied that the government of Kostunica and Tadic achieved the agreement with the Russians.

"The previous government in which we were, could not to do anything but continue to carry what was signed, especially this government now. Accordingly, whether it is done in accordance with the highest economic interests or not, is another matter. This topic we also run multiple times with the desire to keep it clean, transparent, except for what the Russian side does not want to be published.

In this respect there is actually the idea that the company should be moved here given that begins construction of South Stream. Construction of South Stream in Serbia has not even started, the start of which was announced by the end of this year. In the agreement which was signed by Serbia and Russia in 2008 it is planned that the pipeline will be completed by the end of 2015, but the notice of Gazprom to Insider says that this deadline was postponed and that new term in 2017. There are no sanctions for breaking this limit intended by any document.



Serbia:South Stream delicate political and economical question says  
PM Dacic

Source; Serbia Energy