

## Serbia: `Who says Srbijagas hinders the South Stream?

**Categories :** [News Serbia Energy](#)

**Date :** March 13, 2014

The state does not provide any guarantee to Srbijagas to build the South Stream, but has already agreed with Gazprom on a loan that it would be returned from dividends of the project : The dividends would be counted at an interest rate of 4.25 percent annually , said Dusan Bajatovic Director of Srbijagas.

According to him, the contract is in the stage of final review , but noted that the other three risks that should be solved. .

Bajatovic said that if the project is delayed , then in that case the lessee 100 percent of capacity, which is the "Gazprom export" practically pay all charges of the loan for which Srbijagas takes to recapitalize the project.

If it happens that we build an energy facility, and not have finished Hungary or Slovenia for example, or if we can not rely on 100 percent of the lease of the capacity in that case the risk is borne by the Russian side explained Bajatovic for Tanjug.

The third risk of director of Srbijagas said is possible delays in financial restructuring Srbijagas.

"We have already started regardless of what anyone told the public and the ministry, not to tie the dividend income that would normally go to the account Srbijagas and it must be ensured that the proceeds go to pay off the loan ."

As he said , it was about 270 million euros, and the rest is project financing .

" To finish the project financing we need to finalize the price of the project because it directly affects the final costs of determining the dividend . " To conclude, without any doubt, the problem is not Srbijagas being not restructured , I do wonder who made this statement up, that seems very interesting " , said Bajatovic.

"We are trying to minimize all risks, especially the risks involving our government regarding this project, " concluded the Director of Srbijagas.

To recall, yesterday the Prime Minister of Serbia in resignation, Ivica Dacic said that the realization of the South Stream project in Serbia at the moment, "hindering" the problem of providing government guarantees, while from the Ministry of Energy announced that the main problem that has not yet been implemented was reforms of Srbijagas.

Source; Serbia Energy