

## South Stream construction to start in late 2012

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The construction of the South Stream pipeline section through Serbia will begin in November or December, Adviser to the Serbian prime minister for Energy Petar Skundric said in Belgrade Wednesday.

This is the most significant development project in Serbia's infrastructure and gas sector, Skundric said at the opening of a meeting of energy ministers of the Black Sea Economic Cooperation (BSEC) member countries. The costs for the construction of the section of the gas pipeline through Serbia are estimated at EUR 1.7 billion and the length of South Stream through our country will be between 415 to 440 kilometers, depending on the final pipeline route, Skundric said.

He noted that the project is being realized under the framework of an interstate agreement on cooperation between Serbia and Russia. As a result, he added, two major Russian and Serbian gas companies founded a joint enterprise, South Stream Serbia AG, we have a completed feasibility study on the section through our country and preparations for project planning documents are underway.

Skundric stressed that the construction and extending of the underground gas and storage facilities in Banatski Dvori and Banatski Itebej in northern Serbia, with the capacity of one billion cubic meters, were among the most significant projects in the field of gas energy in Serbia, contributing to overall energy security of Serbia and the region.

Serbian Energy and Infrastructure Minister Milutin Mrkonjic, who opened the event, said that the development of gas infrastructure in Serbia was one of the priorities in the development of the Serbian energy sector. The BSEC countries' common goal is to create a joint energy market, get more investment in energy, improve energy efficiency and ensure better environmental protection and cooperation in the fight against crime, said Mrkonjic.

The main topic of today's meeting of BSEC countries' energy ministers is the development of

the gas sector and gas infrastructure. The meeting brought together senior officials of the participating countries of the BSEC, currently chaired by Serbia, and its aim is to intensify the dialogue on the need and possibilities for improvement of cooperation between the BSEC member-countries in the energy sector, particularly in connection with the theme of the event's main topic.