

In just a few days, Russia's military intervention in Ukraine caused a dizzying rise in energy prices on the European market, the negative effects of which are reflected in Serbia as well.

The price of gas on the stock exchanges exceeded the level of 2,200 dollars for 1,000 cubic meters for the first time since December 21, only to fall to 1,777 dollars yesterday.

Namely, during yesterday's morning trading, the price of gas reached \$ 2,279 per 1,000 cubic meters, only to fall sharply below \$ 1,800 during the day. Brent crude oil, used in Europe, reached \$ 118 a barrel.

When it comes to the price of "blue energy", consumers in Serbia do not feel the consequences of its enormous increase in foreign exchanges because the long-term contract under which the Public Company Srbijagas buys gas from Russian Gazprom at \$ 270 per 1,000 cubic meters has been extended until mid-year.

Also, Belgrade received additional quantities of gas from Moscow at a price of \$ 800 per 1,000 cubic meters, which is still much more favorable than the current astronomical stock market price.

However, when it comes to the price of electricity, the Electric Power Industry of Serbia suffers losses on a daily basis due to the difference in the purchase and sale price.

At this moment, the price of electricity per megawatt-hour on the stock exchanges has reached 385 euros. Its height is also affected by the fact that the price of gas has jumped, and in some countries of the European Union, electricity is largely produced in gas power plants.

When it comes to the prices of "black gold" on the stock exchanges, they cannot disturb the situation on the retail market in Serbia for now because the Government has limited the maximum price of Eurodiesel to 179 dinars and Euro premium BMB 95 to 171 dinars per liter.

However, if the current situation with the sharp rise in oil prices continues, experts believe that fuel traders in Serbia will operate at a loss.

Energy expert Velimir Gavrilovic told Danas that, according to the information he has, the Electric Power Industry of Serbia is currently importing 20 percent of electricity on a daily basis.

- That represents one fifth of the consumption in the country. The reason for that is the reduced production of electricity from domestic capacities due to insufficient quantities of quality coal because the discoveries were not prepared on time as well as due to unprofessional management of EPS. Considering the current prices of electricity abroad and due to the difference between the purchase price and the one at which EPS sells it to households and industry, that company suffers a loss of around 3.5 million euros on a daily basis. Also, it should be taken into account that the price at which EPS buys electricity abroad may become higher because it is also produced in gas power plants in Europe, so the

current jump in the price of that energy source may increase the price of electricity - our interlocutor explains.

Energy analyst Goran Radosavljevic told Danas that the situation in Ukraine caused a sudden jump in the prices of "black gold" on the stock exchanges, because Russian oil makes up 10% of daily production on the world market.

- Due to Moscow's military intervention in Ukraine, traders on the stock exchange simply avoid trading in Russian oil, which caused a reduction in supply and demand remained the same. Accordingly, the International Energy Agency has made a decision to release 60 million barrels of oil from strategic reserves in order to curb the jump in prices - Radosavljevic states.

According to him, fuel buyers in Serbia are currently protected by the Government prescribing the highest possible retail prices of certain petroleum products.

- However, in the event that the war in Ukraine lasts longer, given the large jump in oil prices on the stock exchanges, gasoline traders in Serbia would certainly begin to suffer losses. The question is whether in that case the Government would be ready to give up the money it received from excise duties on fuel, ie to reduce it in order to enable companies that sell petroleum products to operate normally. In the absence of that, the traders would most likely stop offering drivers fuel for which the maximum price is limited - Radosavljevic concludes, Danas writes.