

Gazprom's contract on "Blue fuel" transit through Ukraine shall soon expire and it is not known how it will be transported to us. "Turkish stream" is in the game, but Moscow still favors Baltic.

The route by which the Russian gas shall be transported to Serbia after 2019- through Baltic, Ukraine, or pipes at the bottom of the Black Sea- is the question which is extremely hard to answer at the moment. The reason for this uncertainty is clear- there is a high probability that the contract between Gazprom and Ukraine shall not be extended so the backbone pipelines that transport "blue fuel" from Russia would be closed.

Vice president of Russian government Arkady Dvorkovich, who said that projects with Turkey are still on the agenda several days after the failed coup in Turkey, tried to answer the question from the beginning of the text.

- "Turkish stream" is not rejected and has perspective- stated Dvorkovich.

Turkish Minister of Economy Nihat Zeybekci also stated that Ankara counted on the construction of "Turkish stream".

- Not even when relations were cold was the project rejected and both countries could have benefits of it- explained Zeybekci.

Minister of Energy in Russia, Alexander Novak, optimistically announced that co-chairmen of Russian-Turkish intergovernmental commission could meet soon in order to discuss about the construction of "Turkish stream". However, there are no longer four pipes mentioned, but only two that would satisfy the needs of Turkey and southern part of Europe. On the Russian coast of Black Sea the infrastructure is already finished.

Gas analytics in Moscow say that Turkey has already missed the chance to have the largest "hub", i.e. gas storage at the south of Europe. Konstantin Simonov, Director of the Russian National Energy Security Fund, believes that the Turkey shall get only one pipeline and that the second one is questionable and will depend on the needs of south European countries.

- Last year Russia delivered to west Europe 64 billion cubic gas. In Moscow they were trying to find the way to transport that quantity further, but to go round Ukraine. If "North Stream 2" that would supply northern Italy with gas gets constructed, then it is clear that the initial capacity of "Turkish stream" is no longer needed- Simonov pointed out.

Moscow is still the most interested in the construction of "North Stream 2", and since Germans are directly involved in that project, it has the highest chance to be implemented.

- Russian gas transit through Ukraine is 20 percent more expensive than the one through "North Stream 2". Transportation fee for "North Stream 2" shall be 2.1 dollar for thousand cubic on 100 kilometers, and 2.5 dollars through Ukraine- stated the first man of "Gazprom" Alexey Miller.

And if Ukraine modernizes its gas pipelines network the tariff shall be 4.6 dollar that shall be twice as more than of "North Stream 2". Alexey Miller explains that the "North Stream" is the shortest route from the Russian gas sources on Jamal to north Europe. The length of

those pipelines is 4,166 kilometers, while through Ukraine it is 2,000 kilometers longer. The second pipeline of "North Stream" that would be laid at the bottom on Baltic like the first one, shall increase the flow of Russian gas, so that 110 million cubic of "blue fuel" would be transported there per year in total. Beside Gazprom, the Consortium of "North Stream" is comprised of German companies E.ON and Wintershall, as well as British-Dutch Shell, Austrian OMV and French ENGIE.

Eight countries that are against "North Stream 2" Project believe that the second pipeline presents geopolitical danger. Those are Czech, Estonia, Lithuania, Latvia, Poland, Slovakia, Romania and Hungary. Therefore, not only economical but also political reasons shall have the impact on the gas flow.

Serbia keeps waiting. After the failure of "South Stream" all other options are less favorable and more risky.

#### "SOUTH" WAS THE CHEAPEST OPTION

Domestic experts agree that economically the most favorable gas route for Serbia was "South Stream", therefore would our country like to have any similar route.

Vojilav Vuletić from Gas Association explains that only in "South Stream" gas pipeline plan Serbia would not have to pay transit fees.

- Serbia would have earned EUR 200 million per year for being the transit company in "South Stream" - Vuletić stated - In all other gas pipeline routes we are the final destination so we would have to pay to others that fee. As for improving relations between Russia and Turkey, it is still not possible to say that it will be achieved.

Ljubinko Savić, the Secretary of Association of Energy in the Chamber of Commerce of the Republic of Serbia, believes we have missed the chance to become the country of "gas hub" for Europe.

- Serbia shall definitely not decide on the direction of the new pipeline and only thing it can do is to wait - said Savić. - The question is whether we could pay the transit to our country, whether the "North Stream 2" or "Turkish Stream" is constructed.

#### PRICE

When compared to the last year the gas price fell down by 32 percents. Experts say that the average price of "blue fuel" that sells "Gazprom" shall amount to 169 dollars this year.