

Natural gas supply to Europe, especially South-East Europe is still topic for discussion, arrangements, negotiations and also signing the agreements on the construction of gas pipelines.

Many pipelines were mentioned, the construction began, but that was all, since none of the projects is finished and it is still uncertain whether and when those would become operational. Time goes by and it should not even be mentioned that gas pipeline construction is both long and expensive project.

What is certain is that Europe needs gas and ways for its transport to consumers are to be found. That specifically refers to the countries of South East Europe that are supplied with natural gas through Ukraine, and Russia announced that in 2020 the supply of gas through Ukraine shall be cut off. If that happens, the question is whether there will be enough natural gas, and when it comes to Serbia, the situation is not convenient since our country does not have the other direction of supply.

The last of the several agreements signed was for the construction of Eastring pipeline, signed between Slovakia and Bulgaria, and the route of this pipeline bypasses Serbia. This pipeline is not the part of the European Union plan to provide alternative to Russian gas, but as stated by Vojislav Vuletić, the president of Gas Association of Serbia, it is the pipeline that should connect Ukrainian, Romanian and Slovakian pipeline and it would transport gas from Russia.

- It is a good pipeline as a connection for potential supply of both sides, but that pipeline gives no new diversification, no new source except Russian gas -Vuletić said. - It connects pipelines in several countries but is not important for South Europe and Balkan. Solution for gas supply to South East Europe countries where Serbia belongs has to be found since if the gas flow from Ukraine is cut off, than there won't be this energy product for these countries. As the editor of Balkan magazine Jelica Putniković stated, pipeline Eastring is very good business idea of Slovaks, who want to be involved in the new tendencies of European Union and to create as many gas networks possible. Still, she raises the question of its financing, since the EU has not approved funds.

Moscow announces that South Stream Project could be renewed if the EU shows its willingness. That would save the energy safety of Serbia and the entire Balkan, which is the most jeopardized, since it has only one supply direction-through Hungary. Vuletić points out that the new pipeline is necessary and the best and the most cost efficient for everyone is South Stream pipeline.

- If Ukraine supply direction is cut off, many countries will find themselves in an unfavorable position. South Stream is the best solution for the supply of Russian gas to Europe. I believe that South Stream is necessary for south and central Europe and that it shall timely be constructed- stated Vuletić.

At the same time, Russian export of gas into Europe increased, and only last year it

increased by 8 percent. Therefore Gazprom expects to obtain consent of all member states for the construction of North Stream 2 that connects Russia and Germany soon. Gazprom points out that pipeline North Stream 2 shall double export capacity of this company through north corridor and significantly shorten the path of Russian gas transport to larger markets in north and west Europe, therefore, when compared to traditional route, costs of gas transport shall be two times lower.

Through Energy Union it formed, Brussels is trying not only to connect European gas market but to provide lower gas prices. It is imported from America, but the transport is expensive. Liquefied gas is not an alternative to Russian gas, says Vuletić, since it is more expensive, and similar stated Maroš Šefčovič, Vice President of European Commission in charge of energy, who pointed out that America still has lower prices and there are estimations regarding price drop due to Energy Union, but it is difficult to say now, since things are dynamically developed under the influence of world gas and oil market. By the way, EU has planned EUR 263 million for energy infrastructure, and the highest portion of money shall be invested in the construction of pipeline that shall connect member states in Baltic region.

Investment worth EUR 2.2 billion

Pipeline Eastring should connect middle and south-east Europe: from border Ukraine-Slovakia, through Hungary and Romania, to border Bulgaria-Turkey.

Investment is EUR 2.2 billion worth and is seen as cheaper project since existing gas network shall be used. Slovakia and Bulgaria agreed on capacity of 20 billion up to 40 billion cubic meter gas per year.