

Serbian experts are in two minds over the benefits to Serbia of purchasing shares in Montenegro's transmission system operator, Crnogorski elektroprenosni sistem, CGES. Serbia's public enterprise Elektromreza Srbije, EMS, on Tuesday bought 10 per cent of CGES for more than 13 million euro, also acquiring a seat on the board of CGES. Serbian Energy Minister Aleksandar Antic said the purchase will increase EMS's profit and its significance in the region.

"We are discussing overall cooperation with all neighbouring countries. The fact that now we have specific ownership in the transmission system is very important for us both as a business decision and as a strategic thing," Antic said on Wednesday.

"They are the main partners in constructing the underwater cable connecting the Balkans and Italy," he added.

The Montenegrin government is the biggest stakeholder in CGES with 55 per cent while Terna, the Italian transmission system operator, holds 22 per cent.

Terna came to Montenegro in 2010 when it signed a deal on building a 775-million-euro cable that will run for 390km under the Adriatic Sea while an additional 25km is onshore. The Tivat-Pescara cable, a high-voltage electric interconnection, is supposed to connect Montenegro with Italy by 2017, with the aim of enabling Montenegro to export energy from renewable sources to Italy.

Aleksandar Kovacevic, an energy expert from Belgrade, agreed that the purchase of the shares was in Serbia's strategic interest.

"In this way, EMS will enter into a business relationship with the other stakeholders of the Montenegrin company - the state of Montenegro and Italy's Terna," Kovacevic said.

Kovacevic argues that Montenegro is becoming more important in the regional energy market, which is why it is important to EMS as well.

EMS meanwhile says acquiring the shares will help with the rapid delivery of electric power to Serbia, boosting trade.

"This purchase is also significant because EMS began construction of the Trans-Balkan corridor for the transmission of electricity, which extends along Montenegro and continues via submarine cable to Italy, which brings great energy migration from north to southwest," Nikola Petrovic, director of EMS, said.

Petrovic, believed to be close to Serbia's Prime Minister Aleksandar Vucic, came into the spotlight in September when members of the US Congress alleged that a small group of people, including him, had "consolidated their influence and interest in energy, telecommunications, infrastructure and all major businesses in Serbia".

He is also a senior official in the ruling Serbian Progressive Party.

However, the Belgrade-based energy expert Slobodan Ruzic told BIRN on Wednesday that he doubted Serbia had a real energy interest in the share purchase.

“It would have been better to have invested in the existing infrastructure at home, for example in power transmission lines that would strengthen the transmission system in Serbia,” Ruzic said.

“Possibly there is a wider economic interest for both countries, in which case this is just part of the jigsaw,” he added.

Although EMS has announced it will reap dividends from CGES’s profits, Ruzic warns Serbia not to expect much.

source: balkaninsight.com