

### Preliminary Investigation Lasting for as much as Year and a Half

The Ministry of Interior has confirmed to the Research and Analysis Center of Vojvodina (VOICE) that the preliminary investigation within the check of privatization of the Oil Industry of Serbia (NIS) is still ongoing.

In August 2014, the Minister of the Interior, Nebojša Stefanović, said that he had formed a special investigation team that would look into all the facts and circumstances with respect to the privatization of NIS.

The VOICE has asked the Ministry of Interior for the information about the team's operation, and in the response of the Ministry, it is explained that the preliminary investigation is still ongoing, and this on the basis of the request for collecting the necessary information.

As it is added, this request has been submitted to the Ministry by the Higher Public Prosecutor's Office in Belgrade.

In the response of the Ministry of the Interior, it is also stated that the working group has not finished its operation and that the gathering of data is still ongoing, after which the report thereon shall be submitted to the Prosecutor's Office.

"By the appointment of the Prosecutor's Office that conducts the preliminary investigation, it is clear that the party requesting the information about the possible criminal offence should address them", it has been said in The Ministry of the Interior.

In the Higher Prosecutor's Office, they have confirmed to the VOICE that the investigation is still in the pre-investigation phase.

"Considering that, in this phase of the procedure, checks are carried out and proofs are gathered on the basis of which the grounds for suspicion will be established on whether and which criminal offences that are prosecuted ex officio have been made and on the persons having committed them, we are not able to submit to you the data about the criminal offences and persons included in this procedure", it is stated in the response of the Prosecutor's Office.

In the explanation of this institution's response, it is also explained that, as the procedure is in the pre-investigation phase, as well as considering that the pre-trial proceedings would be jeopardized by the submission of document copies, and that the required documents are available to a specific group of persons, and that if they should be revealed, severe legal and other consequences could arise for the interests protected by law, it has been decided that the VOICE's request for information should be rejected.

Explaining his statement about forming the investigation team more than a year and a half ago, Nebojša Stefanović also said that the investigation had not been started because of the

Russian side, but because of the Serbian side.

He also said for the Radio Television of Serbia that the results would be publicly presented, so that the citizens could see what happened.

The Prime Minister, Aleksandar Vučić, has also commented on the investigation, telling the reporters that he “has no intention of” disturbing the relations with Russia, but that he also wants to provide better conditions for Serbia.

Listing the things he was not satisfied with in the contract with NIS, Vučić mentioned the profit based on the Serbian oil and gas, the lowest mining leasing rate of three percent (it is 32 in Russia), at which Serbia, as he said, had indirectly undertaken by the contract not to change this.

In addition, he added that the retail network was not sufficiently visible and clear, i.e. the investments in it, and that Serbia was getting 29 million euros as a dividend from the 400 million euros of net profit achieved by the company.

“We are not satisfied with this and we will resolve this with Mr. Putin and Mr. Medvedev. We will try to amend this somehow, if they should agree, if not, then we can do nothing”, Vučić said. He also added that the Serbian Government was working “in the interest of its people and its citizens”, and that he was not afraid of truth, transparency and openness.

**Gaspromnjeft Surprised with Investigation**

After the announced investigation on the privatization of NIS, the company Gaspromnjeft informed that it was surprised.

In the reaction, it is also stressed that the investigation is not directly linked to the company’s management. The company’s first deputy general manager, Vadim Jakovljević, told the reporters that they had had partnership relations with the Serbian Government and that everything had been resolved through dialogue.

He also emphasized that Gaspromnjeft, as the participant in the implementation of the intergovernmental agreement, had fulfilled all its obligations, although last year, the former Minister of Mining, Petar Škundrić, told the VOICE that they had not.

**Tadić and Stefanović against Investigation**

The former President of Serbia, Boris Tadić, and the vice-president of the Democratic Party of that time, Borislav Stefanović, who had been the head of the working group for negotiations about NIS at the same time, assessed that the investigation about the privatization of the Oil Industry of Serbia could call in question the relations with Russia. After the announced investigation, Tadić, who had been present during the signing of the contract on sale of NIS, said that the situation could become a “serious foreign policy issue”. Borislav Stefanović rejected the claims about the harmfulness of this contract.

### The Course of Sale of NIS

NIS has been sold on the basis of the 2008 energy agreement between the Governments of Serbia and Russia.

The agreement includes the sale of NIS, and it also envisages that Serbia, among other, will assist during the construction of the South Stream gas pipeline through Serbia and the underground gas storage in Banatski Dvor.

By this agreement, Serbia also undertook to apply the old legislation until the implementation of these projects, because of which, even today, NIS is paying the mining leasing rate according to the old laws, and not according to the new laws, i.e. three instead of seven percent.

Even after the Russian partner confirmed that the South Stream had been abandoned, Serbia did not raise the issue of the application of law to NIS.

The contract on sale of NIS was also signed in 2008, during the Government of Mirko Cvetković. It was signed in Moscow, by the Serbian Minister of Energy of that time, Petar Škundrić, and the representative of Gaspromnjeft, Aleksandar Djukov.

Gaspromnjeft has bought 51 percent of NIS for 400 million euros, and it is stipulated by the contract that this company should invest at least 500 million euros in NIS by 2012.