

If Srbijagas operations have not been effectively separated by July 1, the Energy Community will recommend imposing sanctions against Serbia.

Director of the Energy Community Secretariat Janez Kopac said this in Belgrade on Monday. Following a meeting at the Serbian Ministry of Energy and Mining, which was attended by representatives of Srbijagas - Serbia's state-owned natural gas enterprise - Kopac told a press conference that members of the Energy Community had received assurances that Srbijagas' operative transmission system and financial activities would be unbundled by July 1.

If this does not happen by July 1, we will recommend adoption of sanctions against Serbia at the Ministerial Council of the Energy Community, said Kopac.

"We do not see much progress here, and are waiting for further explanation and suggestions from Serbia," he said.

Asked about what the sanctions might look like, Kopac explained that they could be both minor and quite serious - financial.

The symbolic ones may include ban on voting at Energy Community meetings or not receiving reimbursements for travel expenses of coming to the meetings of the Energy Community, he said.

And as for serious sanctions, Serbia may stop receiving European IPA funds for energy, warned Kopac.

He told the press conference that he discussed the open issues with representatives of the Energy Ministry, with four issues being designated as disputed.

"Those are the issues which prevent the opening of the (EU accession talks) chapter dealing with energy. Until those issues are resolved, there will probably be no tangible progress in opening the chapter," Kopac said.

Predrag Grujicic, head of the Energy Community Hydrocarbons Unit, told the news conference said that the division of the state electricity company EPS was "going well."

Other outstanding issues relate to power grid operator Elektromreza Srbije (EMS) membership in the Podgorica-based Coordinated Auction Office, EMS' cooperation with Kosovo's transmission system operator KOSTT and Serbia's lack of compliance with the EU Directive on fuel quality.

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