

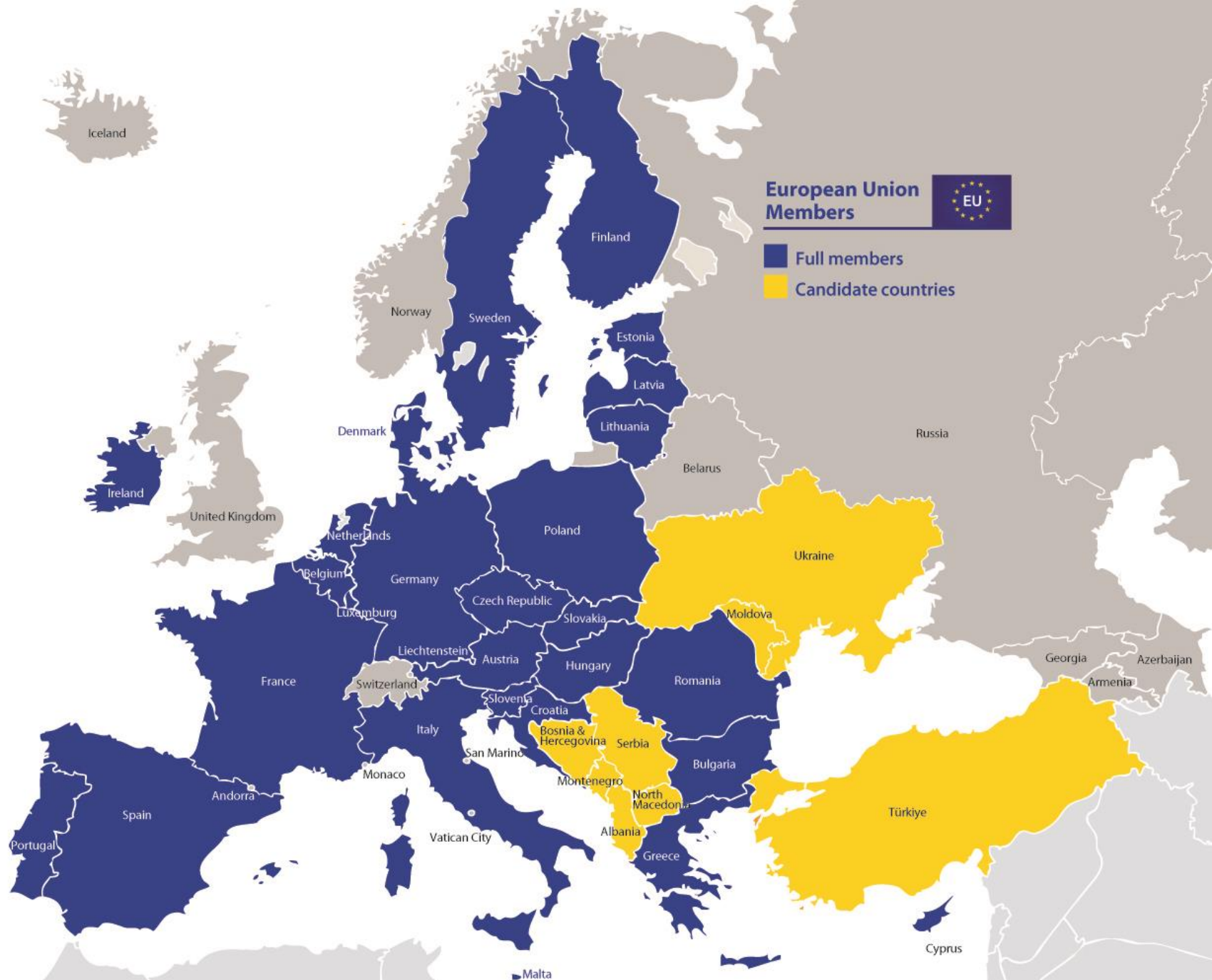
Annual colloquium “SEE Energy Dialogue”

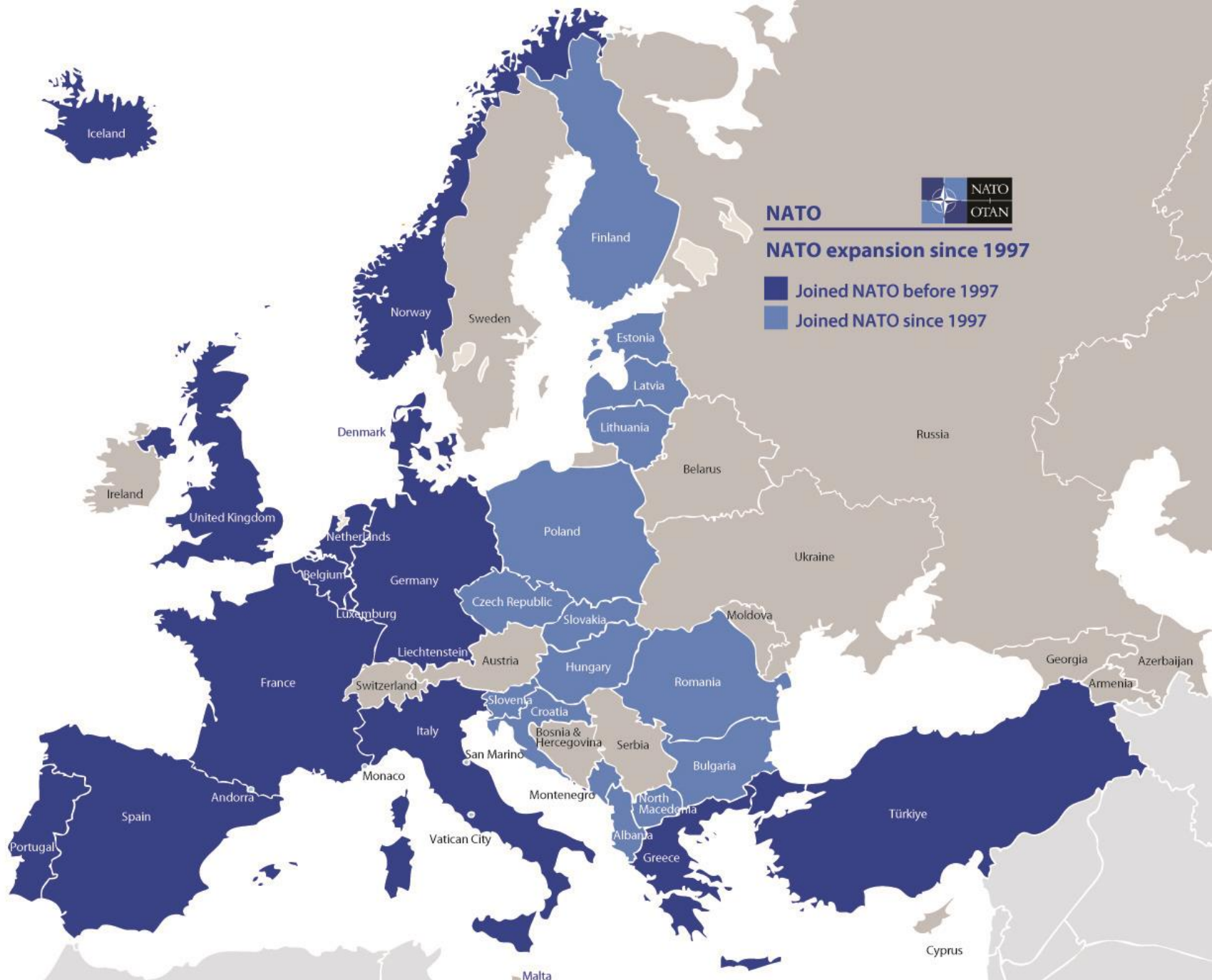
Country Report SERBIA

Hope for the Best, prepare for the Worst

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Global Relations - We went too far too quickly!

- The war in Ukraine has been going on for more than 450 days with a nuclear threat
- At the expense of Ukrainian people NATO is waging proxy war against Russia
- The constant expansion of NATO is the biggest threat to world security
- The only country in the world capable of managing peace in Ukraine is China

- There are tectonic changes on the geopolitical and geo-economic maps of the world
- Changes in security, social values, trade, generation/transposition of energy

- America's political and financial domination continues but with a great loss of confidence
- The creation of a multipolar world is already a reality
- In economic size, G7 is actually smaller than BRICS alliance
- BRICS countries established the New Development bank based in Shanghai
- Using the national currencies is the first step to avoid US\$

- The EU and its leaders have lost political and diplomatic power in the world
- Europe has been transformed in the largest concentration of military camps and arsenals
- Europe neglects the interests of its citizens with the US and the EU elite policies

- Despite the heavy sanctions Russia is still surviving and building the alternative economy
- Domination, protectionism, and militarism against **sovereignty, identity, cooperation**

The hybrid war against Yugoslavia and Serbia is a pre-hybrid war against Russia.
The current hybrid war against Russia is a pre-hybrid war against China

Division of Europe

- According to today's national borders
- According to cultural criteria



Proposal of the Standing Committee on Geographical Names (StAGN)

Regional Relations

- Serbia, a small country with a geostrategic position and with a great and honorable history
- The glorious legacy of the Serbian people has created a spirit of freedom, independence, sovereignty and neutrality
- Serbia is in a very delicate geopolitical position. Nonetheless, it is very committed to cultivating political stability both at home and in the region
- In the long-lasting EU accession process, Serbia still has a huge political problem regarding the province of Kosovo* and Metohija
- The process of normalizing relations with this province under the patronage of the EU and US is proceeding slowly, with misunderstanding, political tricks and a great deal of hypocrisy
- Kosovo unilaterally proclaimed Independence in 2008 and were recognized by 93 countries out of 193 UN members. Among the G20 countries, 9 of them did not recognize Kosovo*
- Five EU countries did not recognize Kosovo*: Greece, Cyprus, Romania, Slovakia, and Spain
- 80% of Serbian citizens do not want to join the EU if the condition is the surrender of Kosovo
- Through the Western military intervention and policy of double standards, 15% of the territory was **“Kidnapped and extracted from Serbia“ (Zoran Milanovic, President of Croatia)**
- According to the report of Council of Europe, the 1999 NATO bombing, in addition to the loss of human lives and infrastructure destruction, significantly destroyed Serbia’s natural environment and ecosystems in all regional countries - Report number 8925

In modern history, the country has shown the capacity to manage various types of disasters such as the NATO bombing in 1999, the migrant crisis in 2015, the Covid-19 pandemic, and of course the recent geopolitical and energy crisis

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244

Serbia - State of Play - Overview

MACROECONOMIC POLICY records stable and satisfactory results

- GDP is around €61 bill
- Growth rate 2,3% (2022 and estimated for 2023)
- Public debt - 50,5 % of GDP
- Resilient FX - Foreign Exchange reserves - €21 bill
- Gold Reserves 39 tones
- Inflation rate about 16% y/y (mostly imported)
- Strong labour market - Unemployment rate 8,9%
- Robust FDI flows - Foreign Direct Investment €4,4 bill (2022)
- Long-term credit rating - Fitch BB+/stable outlook

INDUSTRIAL and ENERGY Investment

- Serbia are still highly dependant on fossil fuels in its energy mix
- The province Kosovo* and Metohija has huge coal-lignite estimated at 14 bill. tones
- Newly discovered reserves of gold, copper and lithium promise additional business
- The IT sector is becoming Serbia's biggest exporter
- The EU granted Serbia €165 mill to help overcome the energy crisis and €610 mill to modernise its railway
- Mid-term Investment plan in energy sector over €15 bill
- Two reversible HPPs are planned - "Djerdap 3" and "Bistrica", with a total of 2500 MW
- On May 4, the Government of Serbia made a Decision establishing the Strategic Partner Selection Procedure for the construction of 1000 MW of solar power plants and battery systems with a capacity of 200 MW (400 MWh)

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Serbia - State of Play - Energy Sector 2023

- Energy security is the top priority - outweighs clean and affordable energy
- The average energy import dependency ratio for Serbia is still around 35%
- Main energy companies are still state owned, PEs or JSCs
- Drafting of NECP and new Strategy for Development in Energy sector are underway
- Retail gas and electricity prices are still among the lowest in Europe

- **ELECTRICITY** - Electricity generation was and still is under pressure
 - Warm winter and a good hydrological period have facilitated exports
 - Unexpected problem of coal mining - import of coal up to 10% of needs
 - Installed capacity in Serbia is about 7,900 MW with 550 MW in solar and wind
 - SEEPEX will start intraday market; merged with BSP SouthPool into regional ADEC

- **NATURAL GAS & OIL** - Reserves at a very satisfactory level
 - Reliant on Russian natural gas for another three years over the Turk-Balkan Stream
 - New interconnector with Bulgaria - end of 2023 - further diversification
 - The new planned crude oil pipeline Serbia - Hungary will secure 5,5 mill tones/year

- **RENEWABLES** have a trend
 - RES development is mostly delegated to private entrepreneurs
 - There is potential, a large number of projects (solar, wind) are under development

- **EMISSION**
 - Serbia emits approximately 62 Mt of CO2 annually
 - It is planned to introduce a national CO2 tax and prepare the industry for CBAM

Serbia on the way to harmonize green transition

**A man without freedom is like a fish without water.
 Hard times make strong people. Strong people make good times.
 The Balkans to the Balkan peoples.**



Novak Djoković

G7, Hiroshima , May 19, 2023

Thank you for your attention