

## **Russia is a step closer to buying off Serbian oil monopoly**

Serbia and the Russian gas concern Gazprom are close to finalise agreement for the sale of the Serbian oil monopoly NIS. According to the latest news from Belgrade, when Serbian and Russian delegation met on December, 5, the deal will be most likely signed by the end of 2008. The Gazprom wishes to purchase a majority share in the state-owned company for a lower than estimated market price (400 million € compared to 2 billion €).

On the other hand, the Serbian government points out three conditions to make business with Russian. Gazprom needs to invest 500 million € to NIS' modernization, construct the oil storage facility, and give guarantees to build the South Stream pipeline going through Serbia by 2015. Budget required to finish the pipeline, which will distribute Russian gas to the Western Europe through Bulgaria and Serbia, is estimated at 10 billion €.

The deal between Serbia and Gazprom was in question since autumn 2007, when Serbian government, at that time lead by Vojislav Kostunica, for the first time agreed to sell NIS to Gazprom. Today, according to Gazprom's CEO Alexei Miller, everything is ready and "the only thing left is to define technical issues regarding the sale of NIS".

*Sources: B92, BalkanInsight*

## **EU starts to deploy in Kosovo**

Beginning of December, 9 EU's Rule of Law Mission to Kosovo (EULEX) will start deploying in the former Serbian province and replace the UNMIK administration which was present since 1999. According to EULEX Head Yves de Kermabon, the EULEX has "all the means and power to start fulfilling the mission from this date". First 100 EULEX officers will be deployed on the first date.

While local Albanians appreciate EU's mission and expect it will tone down interethnic tensions, Serbs in Kosovo remain sceptical. Serb National Council in Kosovo believes that there is no need to hurry with the deployment, and reminds that Serbs in Kosovo haven't agreed with the deployment yet.

EULEX is the EU's biggest civilian mission in a post-conflict area. As a technical mission, its main aim is to help and support Kosovo authorities in reforming police, judiciary and customs system.

*Sources: B92, Eulex, BalkanInsight*

## **Financial crisis hits the Balkans**

After days and weeks of economic stability, Serbia and Macedonia have recently experienced devaluation of their currencies. Only after a nine-day slide, when Serbian dinar decreased in its value against Euro, it stabilized on December, 7 due to Serbian's National Bank intervention.

The situation with Macedonia is more complicated. Decreasing value of the Macedonian currency – denar – may have been reaction of the market on the latest reports of a credit ratings outlook for the country by Standard & Poor's. S&P reports that the country has deteriorating liquidity of local banks and increase of external trade deficit which may cause the devaluation of the currency.

*Source: B92, BalkanInsight*