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INTERNATIONAL CONFERENCE ON THE FUTURE OF ENERGY IN THE BALKANS

At the International Conference organized by Internet portal Balkan Magazin and Business and Economy Center on 7 April, under institutional auspices of the Ministry of Mining and Energy of the Government of the Republic of Serbia, LUKOIL SRBIJA AD was represented by the petroleum products Head of Wholesale Department, Ivan Brajović. Under the title "Future of Energy in the Balkans" several most actual topics were considered: New Energy Strategies of Small Countries; Geostrategic Consequences of Cheap Oil for the Region; Is the Future of Electro Energy in Fossil Fuels or Renewable Energy Sources; Expansion of Businesses of Energy Companies to Other Markets in Order to Surpass the Current Energy Crisis, and the like. When opening the Conference the Minister of Mining and Energy of the Republic of Serbia, Aleksandar Antić, stated that Serbia is moving in the right direction when reaching full energy stability is in question, and that it has serious projects and strategy. He emphasized that the Government tries hard to contribute to exchange of opinions between the State, energy companies and profession, in order to find the right answers to oil supply issues in a timely manner, to undertake the right steps and provide a stable energy system in the whole region as well as safe and secure supply of energy-generating products for all citizens. Aleksandra Tomić, Chair of the Parliamentary Forum for the Serbian Energy Policy, emphasized at this Balkan Magazin Conference that even MPs contribute to energy improvement in Serbia. After introductory speeches, panels were held with the following topics: "The Balkans – Awaiting for Gas Corridors", "Challenges of the Post-Oil Era" and "Electro Energy – Driver of Development". The second panel was opened by Prof. Dr. Slobodan Sokolović who answered to the question whether we are living in the Post-Oil Era. His answer was negative: - Maybe in about twenty years, but according to all scenarios, the oil will have a significant share (approximately 30 %) in the energy mix until 2030. Professor Sokolović' assessment is that the European energy market is not integrated and that it includes a need for a series of porosity sealings. In his speech, colleague Ivan Brajović, Head of Wholesale Department in the Company, recalled that the dramatic drop of oil prices in 2014 until today had a devastating effect, both on oil companies and creating budget deficits of the biggest oil exporting countries. He stressed that the assessment is that due to such drop there was a lack of investments in the oil complex in 2015 of approximately USD 400 billion, and in the first quarter of 2016 of approximately USD 120 billion, which at a medium-term

plan may lead to the reduction of the oil production volume, and according to elementary supply/demand rule to increase of oil prices, Brajović said. Slaviša Petković, Head of the Market Inspection Sector of the Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia spoke at the end of the panel. The Serbian petroleum products market has been improved by fuel marking, although there still are no exact data on the petroleum products sales. The petroleum products control and excise tax collection are distributed between several institutions, which is an issue, according to Slaviša Petković. - The inspection and monitoring and fuel marking combination is the best, he emphasized, adding that in this process he must distinguish LUKOIL SRBIJA AD, with which flawless cooperation has been established in this field.