FOREIGN AND SECURITY POLICY 17.01.2025 | Nikola Mikovic

Vučić's balancing act nears its end

Serbia has long walked a tightrope between Russia and the US. But with sanctions looming over its oil giant NIS, choosing sides seems inevitable

Faced with student-led anti-corruption protests, Serbian President Aleksandar Vučić seems to count on foreign support to maintain his legitimacy. He is one of the very few leaders who appears to be equally backed by both Russia and the United States. But what does he have to offer them in exchange?

Serbia's universities have been under blockade for weeks as part of a broader movement calling for accountability over the tragic incident on 1 November 2024 in Novi Sad, when a massive concrete awning at the railway station collapsed, killing 15 people. High school students also joined the protests, participating in the traffic blockades lasting 15 minutes for the 15 victims.

Many in the South-eastern European nation blame the collapse on widespread corruption. Vučić, however, initially accused the students of launching protests for money. According to the Serbian leader, the students were 'paid by the West to hold protests in a bid to overthrow his government.'

His narrative aligns with the Kremlin's claims about the alleged Western attempts to force a 'colour revolution' in the Balkan country. In late December 2024, the spokeswoman of the Russian Ministry of Foreign Affairs, Maria Zakharova, said that Western countries are 'planning to destabilise Serbia', claiming that they are 'putting pressure on the legitimate authorities.' 'The attempts of the collective West to inflame the situation in the country, using the techniques of a "Maidan-style coup" are obvious', she added.

Playing both sides

Her rhetoric represented the Kremlin's direct support to Vučić, given that the majority of his voters have strong pro-Russian sentiment, despite

the fact that he is pursuing an essentially pro-Western policy. Moscow undoubtedly appreciates that Serbia, under Vučić, remains one of the few European countries that did not join anti-Russian sanctions imposed by the West on the Kremlin following its invasion of Ukraine in February 2022.

Russia, on the other hand, turns a blind eye to the fact that Serbia indirectly supplied Ukraine with €800 million worth ($828 million) of ammunition, and that Vučić signed several international declarations condemning Moscow's actions in the Eastern European nation. Such an approach seems to align with the United States' expectations of the Serbian leader.

The United States is set to slap sanctions on the country's main oil and gas company NIS due to its Russian ownership.

US ambassador to Serbia Christopher Hill has repeatedly stated that Serbia is 'moving in the right direction' and that the future of the Balkan country – which has been a candidate for EU membership since 2012 – 'lies in the West'. Interestingly enough, just days after Zakharova accused the West of planning to overthrow Vučić, Hill stressed that the Serbian-American relations are moving forward, pointing out that he was 'pleased to see to what degree Serbia has developed its relationship with Ukraine.' He also, once again, repeated that the South-eastern European country is 'moving in the right direction'.

Thus, amid anti-corruption protests – which forced Vučić to attempt to effectively bribe Serbian youth by offering a cheap down payment for purchasing housing – the Serbian populist leader managed to secure both Moscow's and Washington's support. His 'balancing' between Russia and the United States is possible only as long as both sides are getting what they expected. The Kremlin is satisfied that Belgrade did not join anti-Western sanction, which allowed Russian President Vladimir Putin to create an illusion at home that there is a European country that still sees Russia as a 'friend'. Washington, on the other hand, is pleased because Serbia de facto sided with Ukraine and remained on the 'Western path'.

The problem for Vučić, however, is that now he might have to cut Serbia's energy ties with Russia — a move that can have an impact not only on Belgrade's relations with Moscow, but also on Vučić's pro-Russian voters. He recently said the United States is set to slap sanctions on the country's main oil and gas company NIS due to its Russian ownership. Russia's energy giant Gazprom and its subsidiary Gazprom

Neft own 6.15 per cent and 50 per cent of NIS respectively, with the remainder of the shares belonging to the Serbian government and other smaller shareholders.

On 4 January, Vučić met with Hill to discuss this issue. Although it remains unclear what they agreed, the fact that he stated that he is going to initiate a call with Putin clearly suggests that Belgrade might soon nationalise NIS. 'We have the money to buy it out right away', Vučić said on 5 January, offering Moscow $700 million to buy out Russia's 56.15 per cent stake in NIS.

Washington is expected to soon effectively crowd Russia out of Serbia, both politically and economically.

The coming days will reveal whether the Kremlin is satisfied with his proposal. Given that Gazprom incurred a loss of $492.5 million in the third quarter of 2024, the company's officials are expected to demand a higher price for NIS. Politically, however, Gazprom's potential departure from Serbia will demonstrate another geostrategic defeat for Putin, especially since the Kremlin continues to lose its influence in regions such as the South Caucasus and Central Asia.

The United States, on the other hand, will undoubtedly come out as a clear winner in this game. On 18 September 2024, Serbia and the US signed an agreement on strategic cooperation in the field of energy, while on 24 October, the American company UGT Renewables and Hyundai Engineering inked a deal with the Serbian Government to build six solar power plants worth $1.6 billion in the Balkan nation.

Washington is therefore expected to soon effectively crowd Russia out of Serbia, both politically and economically. As a result, it is no surprise that Vučić enjoys the US support, despite corruption scandals. But will the Kremlin have any reasons to continue to back Serbia's leader after Belgrade nationalises NIS? Most likely, yes, as long as he does not formally join anti-Russian sanctions.



Nikola Mikovic

Nikola Mikovic is as freelance journalist and political analyst based in Serbia. He mainly covers the foreign policies of Russia, Belarus and Ukraine, as well as political developments in the Balkans.