

Bosnia: Construction of Unit 7 in TPP Tuzla, FBiH Parliament decides on the Chinese offer

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FBiH Government has sent information about the activities on the selection of project partner for a joint venture in construction of Unit 7 (450 MW) in Thermal power plant in Tuzla, on the approval of FBiH Federation. So, all current activities carried out on the selection of project partner will be presented to representatives of FBiH House of Representatives on Wednesday, on July 23, 2014, and asked agreement to follow-up to the final selection of project partner on the proposed model.

11 companies took part in the tender, and after three phases of the tender, a consortium of Gezhouba Group Company Limited (CGGC, China) and Guangdong Electric Power Design Institute (GEDI, China), submitted final and best offer. Company Mitsubishi Hitachi Power Systems Ltd. Japan gave up the offer.

According to the basics of project partnerships contained in the offer of the consortium, PE Electric Power Industry of BiH is the 100 percent owner of Unit 7 with 100 percent right on the Unit power and electricity. The consortium CGGC and GEDI is the contractor for turnkey and Export-Import (EXIM) Bank of China has expressed its willingness to finance the construction of Unit 7.

The offered financing model includes 15 percent of EP BiH participation and 85 percent of the loan EXIM Bank from China, according the best credit model Preferential Buyer's Credit. The consortium will actively participate and assist in the process of applying and approving loans with EXIM Bank of China, and renowned European manufacturers have offered equipment.

Starting price is at the level of the estimated investment value from 2010, and the offer is 1, 74 MEUR/ MW of total capacity. The construction costs of similar and comparable thermal power plants on lignite coal in the region and in Europe, ranges from 1, 55 to 2, 42 MEUR (TPP Turrow Poland, TPP Sostanj Slovenia). Otherwise, Gezhouba Group Company Limited has total assets of 13.7 billion and 40,000 employees. So far they have contracted and built more than 136 projects in 110 countries. Guangdong Electric Power Design Institute has built and designed 174 power plants with total capacity of 142. 086 MW, it was said from the Electric Power Industry of BiH.