

Alstom GE market share in SEE region may be shrinking in front of fast forward Chinese contractors market development. Despite the steady business in modernization and overhaul of SEE region older power plant units, boilers and turbines, new projects may be reserved only for Chinese bidders. Except the Croatia TPP Plomin project which Alstom is promoting with Marubeni and HEP.

Alstom power generation market share in SEE region was quite dominant in local power utilities before the arrival of Chinese contractors which are backed by export bank and state aid. GE is taking over Alstom services in energy sector and the challenge with Chinese competition remains and becomes even stronger as GE is out of experience in energy SEE market.

Overhaul of existing power plants in Southeast Europe (SEE) provide more business opportunities in the region than large-scale investment projects.

In the last few years, Alstom has participated as contractor on multiple upgrades at power stations operated by Serbian state-owned energy utility EPS, helping the company raise its electricity generation capacity by 450 MW. In Bosnia, Alstom has performed upgrades at the 715 MW TE Tuzla thermal power plant (TPP) to improve its efficiency and power rate.

National strategies for the development of the energy sector are not necessarily aligned at regional level, a situation further complicated by the fact that some SEE countries are EU members and others are not and there is pressure from Brussels not to invest in thermal power technology anymore.

Across the region from Bosnia to Serbia to Romania, Chinese companies have shown up in all recent major tenders for greenfield power projects, putting pricing pressure on their competitors.

Alstom officials earlier commented that the Chinese are coming in with low-priced offers but their lignite-fired technology is not state-of-the-art. However Chinese contracts are piling in the SEE region.

The offers of the Chinese companies are denominated in US dollars, their competitive edge in that respect has been eroded by the strengthening of the greenback. The Chinese contractors eyeing power projects in SEE have a further competitive advantage in that their offers are financially pre-packaged.

Chinese are not going through competitive tenders but gain access to projects through exclusive agreements at state level and can usually count on the financial backing of their government.

Large-scale power ventures in SEE where Chinese contractors have already been signed up or are at least in the final mix include the Tarnita-Lapustesti pumped-storage hydro power plant in Romania, the Stanari TPP in Bosnia and the projects for new units at TPP Kostolac in Serbia and at TPPs Gacko and Tuzla in Bosnia.

Alstom officials also commented with respect to the coal-fired projects in the region that the

boiler technology shopped by the potential Chinese contractors is not best suited to the quality of lignite in SEE which is inferior to that mined in China.

According to Alstom actions in the region, the two most mature opportunities for new power generation capacity in the region are in the portfolio of Croatian state-owned power utility HEP.

The first one is the project for the coal-fired 500 MW Plomin C power plant, transmits Serbia-energy.eu