

## Bosnia: New Tuzla TPP unit JV, minority partnership for bidders from China or Hitachi

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It is not clear when the construction of Block 7 in Tuzla power plant will start, which is planned as the largest investment in post-war Bosnia. It is also unknown who will be the strategic partner, although management of "Electric Power Industry BiH" promised that the work will be completed by the middle of this year. Four months have passed, and still no one knows who will be the strategic partner for the construction of Block 7 in Tuzla power plant, worth about 1.5 billion KM. This, according to the announcement of management "Electric Power Industry" will be known in July.

Out of 12 pre-qualification bids, only two remained.

Enver Agic, Chairman of the Supervisory Board of "Electric Power Industry BiH", said that it is a Chinese consortium and Japanese "Hitachi". Management still implements activities on selecting the best and most correct offer, he added.

- In relation to the plans, they are late. We started this story in Tuzla 2006. At that time we were warning that it is necessary to start working with the block. It's been 7-8 years, and we are where we are - said Mirza Kusljagic, SDP Member of the House of Representatives.

But when and whether the strategic partner will be selected at all, it is still unknown. Agic stressed that discussions are ongoing and that offers have not been finally given.

Kusljagic believes it would be better that the process went faster, "if they were lead from the start in the manner as prescribed in international projects - not to decline as Gacko or Buk Bijela."

If selected, foreign investors could become owners of 50% of Block 7, which will be the only in use from 2028 in TPP Tuzla.

Elvedin Grabovica, director of "Electric Power Industry BiH," said to FTV in June that the project partner may have only minority ownership - at least 51% must be of the Federation and "Electric Power Industry", and it is possible that 49% are foreign investors, if they offer the best price and the best terms for funding and the best price for the equipment.

Thus the part of the "Electric Power Industry of Bosnia and Herzegovina" could forever go into private hands. The last word will, however, give the Government and the Parliament of the Federation, without whose approval there is no privatization "Electric Power Industry BiH".

Source; Serbia Energy See desk/EPBiH