

Bosnia: TPP Banovici construction to kick off in 2017

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Director of the coalmine RMU Banovici Munever Cergic said in an interview that the construction of thermal power plant Banovici, a project worth over 500 million euros, will start next year.

According to Cergic, the decision on the start of construction depends not only on RMU Banovici, but also on the Government of the Federation of Bosnia and Herzegovina (FBiH). As soon as guarantees are provided by the Government the design stage that will last about six months will start, after which the construction works could start. Cergic added that the company and the Government are negotiating with banks since January and it was agreed that Chinese banks will provide about 85 % of the funds needed for the construction. Given that the Federal Government has already provided a guarantee for the project, the Industrial and Commercial Bank of China (ICBC) will review the Government's ability to provide such guarantee. He added that he expects that the agreement with the bank will be signed by the end of the year, which would create conditions for the official start of this project.

TPP Banovici project envisages construction of new 350 MW thermal power plant near Banovici coalmine, which also supplies coal to TPP Tuzla. The cost of the project is estimated at some 500 million euros, where the unit was initially supposed to be completed during 2018, but the start of the construction was delayed. The future unit and its output will be owned by the RMU Banovici. It is the largest and most profitable coalmine in Bosnia and Herzegovina. The offer of Chinese company Dongfang Electric Corporation Limited was selected as the best at the tender which concluded in mid- 2015. Dongfang was involved in the construction of coal-fired TPP Stanari in the Republic of Srpska as a contractor.