

Terna company is fully prepared for the construction of a submarine interconnection cable between Italy and Montenegro, and the only problem there is with Croatia, which did not give permission for passage, according to the Italian Minister for Economic Development, Flavio Zanonato.

After the signing of the Declaration on the Common Council of Italy and Montenegro with Montenegro's Economy Minister Vladimir Kavacic, he said that everything necessary is already prepared to make a power cable linking the two countries, but it lacks the approval of Croatia.

Representatives of Terna, the Montenegrin Government and Montenegrin Transmission System (CGES) signed in November 2010 the Agreement on the Establishment of the submarine interconnection between Italy and Montenegro. It is anticipated that in this project CGES participates with realization of investment construction of substation worth about 20 million euros, and is required to build a line from Tivat to Pljevlja, with the intent to later together with partners from Serbia and Bosnia and Herzegovina build transmission lines towards these countries.

Terna was recapitalized CGES with more than 34 million euros, and now owns 22 per cent of the shares, while the state of Montenegro has 55 percent.

Zanonato, after the meeting with Kavacic, said that the Montenegrin government is fully committed to the implementation of joint agreements reached.

"The government is working to address the difficulties that occasionally come along, I'm talking about the problem between the Italian company A2A, which manages Electric power industry of Montenegro (EPCG) and Aluminum plant (PAK)," said Zanonato.

He was asked by a journalist whether there is a possibility that in Italy a company does not pay taxes, as is the case with EPCG in Montenegro, and he said that there is, but that it is necessary to work on correcting the problem.

"Of course it is possible that a company in Italy does not meet its obligations, but then you work on correcting the problem," said Zanonato.

He was asked what his proposal to the government to solve the problem A2A and EPCG, and he said that the possibilities of executive power in this sense are limited, because it's private interests.

"The government is already negotiating with A2A, but there are private interests.

Governments are given that very limited and they can only encourage, but not decide," said Zanonato.

He also added he did not know whether the former Italian Prime Minister Silvio Berlusconi has more private interest in the "privatization story" regarding the A2A and EPCG.

Kavacic said that the Government and A2A under EPCG interact as two shareholders, whose common interest is to provide what is the best development component of this part, according to the electricity company.

“Given what has been presented to Parliament as a government option and that it did not work, we may, while pending the approval, concentrate on the same thing as exclusive jurisdiction of the Government and EPCG in this area,” said Kavarić.

He said that at a meeting with his Italian counterpart he discussed the possibilities of developing cooperation between the two countries in the fields of energy, business zone, agriculture, and fisheries.

“We have concluded that there is great potential that both sides should also make efforts that two large investment projects, A2A at EPCG and Terna at CGES, continue as it was planned and that this deepens cooperation in other sectors,” said Kavarić.

Zanonato added that the talks were constructive and based on the idea of the development of good relations between the two countries.

“In that spirit, the Italian companies invested in Montenegro, and it is this cooperation that goes towards continuing additional investments and developments. There are many areas in which we can start or develop existing cooperation, such as energy, fisheries, infrastructure and agriculture,” said Zanonato.

Source; Serbia Energy See desk/MNE gov press office