

The first phase of an international loan agreement, whose signatories were thermal power plant "Kostolac" and the Chinese state-owned corporation "CMEC", will contribute that Thermal power plant "Kostolac B" enter in the new era of electricity generation with replaced facilities, which will operate in accordance with strict environmental regulations. Revitalization of unit B2 in this plant was completed last year and the future projects for realization, which belong to the first phase of an international loan agreement, are revitalization of unit B1 and facility construction for desulphurization, which will be followed by the construction of infrastructure projects, railways and ports.

Cooperation on these projects implementation involves a complex and comprehensive work of technical teams and "Kostolac" company, but also partners from China. In early October, Thermal power plant "Kostolac B" visited the first man of "China Machinery Engineering Corporation," Zhang Chun.

The visit of the highest order delegation from a Chinese corporation "CMEC" was an ideal opportunity for Chinese partners to familiar on the spot with the progress in the implementation of the project first phase, especially when it comes of fulfilling both legal obligations in the projects realization according to domestic legislation, and European standards on which reposes the entire engagement package.

Director EC "TPP - Kostolac", Dragan Jovanovic, expressed satisfaction with the Chinese partners' visit, to who, after welcoming remarks, said that the Serbian team always was available to Chinese partners.

According to him, the successful implementation of all projects of the international arrangement first phase in Kostolac depends on the coordinated cooperation and determination of all the supporting details, which will enable the thermal power plant to become more energy efficient and more reliable electricity producer in the country. They also said that equipment making for the unit B1 revitalization had already started, it was necessary to speed up the procedure on both sides, and to collaborate in the control and reception equipment.

Zhang Chun, president of "CMEC", stated that close and, above all, coordinated partnership approach of Kostolac and Chinese teams during the project implementation was a critical prerequisite for the fulfillment of the jobs provided by contract.

Given the importance of the capital of this international arrangement for domestic energy, corporations' partners "CMEC" and EC "TPP - Kostolac" expressed the view that any further questions needed to be clarified quickly and efficiently.

Reconciliation of the final details for the unit B1 revitalization and also the facility existence for desulphurization were among the topics on this meeting, as well as preparations for the unit B3 construction in the Thermal power plant "Kostolac B". Unit B3 and capacities expansion of the open pit mine "Drmno" are projects that make up the second phase of an international loan agreement.

After more than twenty years, a period marked by great social upheavals that have led to the Serbian economy collapse, "Kostolac" will get the first new energy facility of 350 MW. Through the implementation of an international agreement, it is established a strong bilateral cooperation between China and Serbia, which can create the conditions for the following projects in our country with the most populous state in the world, whose economy is the second strongest in the world.

The importance of this international agreement for Serbia is capital revitalization in the energy sector under favorable economic conditions. The state loan is foreseen in the Framework Agreement, which EC "TPP - Kostolac" and "CMEC" signed in 2010th. It is defined the interest rate to be fixed during the loan repayment and to amount to 3%, that means that the grace period for funds be 5 years and the repayment period 10 years. Given this fixed rate, it is clear that these are very favorable conditions.

The delegation also visited the complete facility in the Thermal power plant "Kostolac B", informing just about the unit B1, which will start revitalization in March. The delegation then continued working part of a meeting with the contractors and the visit of the village where has been set the logistics of "CMEC" company.

Source; Serbia Energy