

A delegation of Chinese company CMEK and “Exim” Bank have visited Kostolac, where it has been taken discussions with the negotiating team of Subsidiary “Thermal Power Plants and Mines Kostolac” about the final details before approving the loan agreement for the second phase implementation of the credit arrangement with China.

Speaking of the second phase of project package in Kostolac, which includes the construction of a new unit in the thermal power plant “Kostolac B” and the production capacities expansion of open pit mine “Drmno”, Wang Hun, vice president of the CMEK company said that the company, which would participate in the projects implementation, formed its team after last year’s signing of commercial contracts:

- In the first phase, we have gained a lot of experience and we are preparing now projects for the second phase. We have started geotechnical investigations at the site and it is expected to finish it in March, and then we officially begin the preliminary project design. At this point the main job for CMEK is to do the preparatory work as good as possible – said Wang Hu. -Now we study your legal regulations and standards, in order to obtain licenses and permits necessary to start work as soon as possible. After signing the contractual agreement for the loan application we start with works in the second phase.

Visit of the “Exim Bank” representative, according to Dragan Jovanovic, Director of Subsidiary “TE-KO Kostolac”, makes part of the regular procedure. The bank visits the investment place and talks with investment partners at the stage of interstate loan approving.

-The second day in a row we take very detailed discussions with bank representatives and give them all the information that they still need to make a final decision on the loan approval on the board – said Jovanovic. – We expect it would be good to do it as soon as possible and I hope that in a short time we will have a draft agreement on the loan. We signed a commercial agreement with Chinese partners, which defines all technical, economic, commercial, legal elements and that contract will effectively come into force upon loan agreement signature and its ratification in the Serbian Parliament. Then will also start the contract implementation, and would be realistic it to happen in the second half of this year.

Revitalization of unit B1 in “Kostolac B”, as one of the projects of the first phase of China’s credit arrangement begins on 1st March, and as said Jovanovic, this major project would be done in cooperation with Chinese partners. The plan is to complete work by the end of November and that the unit B1 starts in full force from December. This means that for the first time in its lifetime has a power of 350 megawatts, what has already been done with the unit B2.

Source; Serbia Energy