

The Serbian government adopted on Monday the Bill on ratification of the preferential buyer loan agreement for the realization of the second phase of Kostolac B power plant project, which was concluded with China's Export-Import Bank (Exim Bank).

The government forwarded the bill to the Serbian parliament to be debated and adopted at an extraordinary session, the government's media cooperation office said in a release.

Energy Minister Aleksandar Antic announced on Sunday that the construction of thermal power plant Kostolac B 3 will begin in the first half of 2015 owing to the credit line that the Serbian government agreed with the Chinese partners.

According to the terms of the agreement, the USD 609 million loan provided by the Exim Bank is to be repaid within 20 years, at a 2.5 percent interest rate.

In November 2013, the Serbian Ministry of Energy, Development and Environmental Protection signed an agreement with the China Machinery Engineering Corporation (CMEC) on the construction of the third block of the 350-megawatt thermal power plant Kostolac B, and the expansion of Drmno open-pit coal mine to reach the annual output of 12 million tons.

The project is expected to cost a total of USD 715 million. The Exim Bank loan covers some 85% of the amount, while the remaining funds are to be provided by the government of Serbia.