

Foreign investors, who come to Serbia today, only ask for the possibility of privatization of "Mining Smelter Basin (MSB) "Bor", says Dr. Boris Dragovic Chairman of the MSB Bor , who is also chief of cabinet of Lazar Krstic, the Minister of Finance.

- MSB has to emerge from the restructuring process by 30th June - Dragovic said.

- The problems are, of course, the debts from the previous period, which are estimated at close to one billion EUR. The truth is that MSB has the greatest obligation to the state creditors. However, what "burns" are the obligations to foreign creditors , where at one , it is the Greek "Mytilineos", we run another arbitration with Standard Bank, from London , negotiations are underway and it is ready to go to the arbitration of the same reasons why the Greeks did it.

He says that finding of sustainable modality for debt rescheduling is being attempted. And, as models for the restructuring overcoming he points out a well-established process of making PPPR (pre- prepared plan of reorganization), where creditors would be classified and their claims precisely defined.

- Another model is to find a strategic partner, and the third - privatization. One of these three solutions will be applied by 30th June - specifies Dr. Dragovic.

Asked whether it is realistic also to consider the MSB privatization, Dragovic said that all options are open.

### **NEW SMELTER**

Dragovic points out that, according to information received from management, Supervisory body and the contractor, it is necessary between 60 and 70 MEUR to build a new smelter in Bor by the end of the year. He emphasizes that there is interest in MSB, various investment banks come, but so far, have not been any negotiations with any interested investors.

- It should be noted that the financial situation in Serbia is very difficult and that the state is no longer able to provide guarantees for additional borrowing, which in any case, is needed to invest at such a pace to ideally allow MSB to achieve maximum profit - highlights Dragovic. - No matter how you look at it, neither the state nor MSB are not able to invest as much as needed to maximize production as soon as possible.

Our source adds that the plans he has seen until now show that there is a possibility of sufficient investment with borrowing from commercial banks, without government guarantees, and with the ability to repay debt, and production, revenues and profits to be sustainable.

- But if we want to get maximum use of that resource, it may be necessary for additional borrowing, which "Bor" cannot afford - warns Dragovic. - The government will decide anyway, and it will be the one to say "well, we will develop at a slower pace than it would have been possible, but we will be sustainable", or "We have a great strategic partner that brings technology, knowledge and capital".

Source; Serbia Energy