

Two Chinese companies are behind the latest joint venture to build a coal-fired power plant in Bosnia.

The 300 MW Gacko coal power plant is to be replaced by the new unit, with China Machinery Engineering Company and Emerging Markets Power Fund signing a deal to form a joint venture that will be 51 per cent owned by the Chinese parties with the rest held by the Serb Republic.

The Gacko 2 project is expected to cost more than \$588m and will be financed mainly by the Chinese, Energy Minister Petar Djokic said, adding that the investment would be the largest in the Bosnian Serb region since the end of the 1992-95 war.

Chinese companies have already built and helped to finance the 300 MW coal-fired Stanari plant in the north of the region.

Chinese investment in Balkan coal power has increased greatly since the EU, World Bank and others opted to withdraw from coal financing in the region.

In Bosnia alone they are considering energy and infrastructure projects worth more than \$3.5bn.

Last month Bosnia secured a EUR613m loan from China's Exim bank to help Bosnian utility EPBiH to build a new generating plant at its Tuzla coal-fired power station, located in Bosnia's other autonomous region, the Bosniak-Croat Federation.

Also in November, Chinese energy conglomerate China Energy Engineering Corp sealed an agreement on a EUR1bn investment in a 430 MW coal-fired plant and the Kamengrad coal mine in the north of the Bosniak-Croat Federation.

Source: powerengineeringint