

Council of BiH Ministers tasked the Ministry of Foreign Trade and Economic Relations to send a letter of support to the People's Republic of China for projects in Bosnia and Herzegovina for which are approved the feasibility studies for their implementation and for which an application has been submitted to Chinese export-import bank (EXIM Bank). It has to do with the construction of Unit 7 in TPP Tuzla, without which the electricity supply for BiH would be completely compromised by 2020th.

“Chairman of the Council of BiH Ministers Denis Zvizdic was authorized to send a letter to the Prime Minister of the People's Republic of China on the grounds of projects and with the request, given that we are a developing country, to approve favorable loans with preferential interest rate of less than two percent for the projects in the country “, it was announced from the Council of Ministers after the 12th session.

According to the media, this non-binding letter has been waiting on for a long time, after which FBiH Government would make a decision whether it will be a guarantor of the loan which would rise in order that BiH Electric Power Industry implements this extremely important project.

“Another of the outstanding issues which should be resolved with the investor also is currency clause, namely, the currency in which the loan will be repaid, which is expressed in US dollars in the investors draft. Our request is to be a EUR in order to reduce currency risk. There is no doubt that the project of Unit 7 should be realized and that the Government of BiH Federation, within their jurisdiction, will surely support all activities that will contribute to that”, it was said from the Office of FBiH Prime Minister.

They added that once FBiH Government or the Council of BiH Ministers fulfill these steps, they would do the audit of the project once again, probably before a final binding decision. This requires additional time.

To recall, Units 3, 4, 5 and 6 in the framework of TPP Tuzla will be periodically extinguished from now up to 2027th. Deadlines are slowly running out and some have already expired or are working with repairs as an additional risk both for the Units, and for the people.

The project of Unit 7 has been already delayed a year ago because, according to previous announcements, the procedure should be completed by the end of 2013th, and the construction is supposed to start in August 2014th. But as it came to the change of Government at state level, so it was reviewed again. There were delays with the partners' selection. Thus, the consortium China Gezhouba Group Co Ltd. CGGC - The leader and Guangdong Electric Power Design Institute - GEDI was elected for a partners which was finally announced on June 26th, 2014th.

BiH will lose three Units (3, 4, and 5) with the total power of 500 MW by 2022nd. Unit 7,

which has yet to be built, would have a power of 450 MW. If it does not be built on time, the power strength of TPP Tuzla would be 215 MW, which means that the Federation will have a small amount of electricity for consumers.

If the procedure related with the loan taking is not resolved soon, the construction will be delayed largely because the construction of such a facility takes between four and five years. The consequences will, as usual, suffer the citizens who will have to deal with electricity reductions or BiH would have to import extra electricity, which means that bills will be more expensive.