

The contract for the construction of Block 7 of the Thermo Power Plant (TPP) in Tuzla will be signed at the upcoming Summit 16 + 1, which will be held at the beginning of May as part of the Sarajevo Business Forum, as confirmed by the institutions of BiH.

Even though the total value of the contract is still unknown, it is estimated that works that the Chinese would do on this project will cost around 1.3 billion BAM. The most probable contractor will be company Gezhouba Group.

“Block 7 arose thanks to our insist to change two dangerous clauses in documents. The first was the dollar clause, and we requested for it to be in EUR, so that we would not have the case “Swiss”. Secondly, we have redesigned the supply and lowered the price for around 60-70 million BAM, which, you will admit, is not insignificant amount at all,” said the Prime Minister of the FBiH, Fadil Novalic.

The former ambassador of BiH in China, economist Amel Kovacevic, considers it positive that the Government of FBiH insisted on currency clause, considering that there is always the “exchange rate risk”. However, he noted that works with the Chinese are worth of concluding.

“They will do it cheaper than anyone else. If the loan is equal to the cost price, as for example in Germany, it is cheaper for us to work with the Chinese because we would spend instead of 100, only 70 % of the price,” explained Kovacevic.

Moreover, Chinese investors and constructors have built power plant near Dobož. During the recent visit of the chairman Denis Zvizdic to China, they agreed on the construction of power plant in Banovici, which is expected to start this fall. Now is announced cooperation on the project in Tuzla, the most important in the field of national energetic.

“We will be constructing in Ugljevik, Zenica, and Gacko. In Kakanj as well. All of this will be constructed with the Chinese because at the moment there is no one even close to them technologically or price related in the business, and to have the financial creditors, i.e. banks, which can stand behind these projects,” concluded Kovacevic, during whose mandate as ambassador were laid the foundations for almost all projects in the energy sector implemented by Chinese in BiH.

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