

-Loans and business for Chinese companies – the most likely model

The Serbian market is small for serious investments, but if there is possibility to export to European countries, the Chinese partners will be interested.

Belgrade – Among the Memorandums, which during the visit of Xi Jinping to Serbia, are signed with Chinese partners, there is one on joint investment in renewable energy sources. Ministry of Mining and Energy of the Republic of Serbia, has not disclosed the contents of that document, while the professional public point out, that memorandum is not binding, or, that an act of its signing does not automatically mean, that China will build renewable energy sources in Serbia. Mr. Mahmud Busatlija, an expert on foreign investments, according to Danas, said that the Chinese would be interested in RES construction in Serbia only in the extent that they can earn.

- Serbian electricity market is too small that the Chinese side could count on serious profits by building power plants or wind farms. However, if there is a possibility that produced electricity would be sold on the European market, Beijing will be very much interested in such investments. This is why the Chinese side insists for Serbia to harmonize its regulations with those applicable in the European Union, as Chinese companies, including those engaged in RES, would not have an issue during exporting – Busatlija said.

He adds, that if the Chinese really decide to build RES in Serbia, it will probably be conducted in the same manner as in the case of new unit construction in TPP Kostolac.

- It actually means that it will be carried out as a joint project, in which the entire Serbia will get a loan from a Chinese banks, and, companies from these countries will be engaged on works execution. The Republic of Serbia would eventually be obliged to repay the borrowed money. Given the fact that the authorities in Serbia, without much thought, agree with such arrangements, I believe that the Chinese offer will be accepted, in the event that it happens – said Busatlija.

He believes that the Chinese in Serbia will be more interested in the manufacturing of components and equipment for RES that could be exported to the European Union.

- In this way you can get profit, because EU countries are insisting on ever higher share of RES in total amount of electricity generated, which means that there is a market in which you can qualify for this type of goods. Serbia would, in that case, be a country where these components would be manufactured, and the base from which the products would be placed on the EU market – said Busatlija.

The fact that the Chinese side is seriously considering investments in renewable energy sources in Serbia, is confirmed by the event, that shortly before Xi Jinping visited Belgrade, more precisely, in May, the company “Huaji Wind Energy”, engaged in the manufacturing

and sale of systems for wind power use and wind farms design, opened their representative office in Belgrade. On this occasion, the representative of the company, Zhang Sjuemin, pointed out, that based on detailed evaluations, "Huaji Wind Energy", Serbia and the region together, have a great potential in the field of wind power use, which is why they came to Serbia at the first place.

Good export business

The Chinese company "Huaji Wind Energy" is engaged for 14 years in the manufacturing and sale of systems for the wind power use and wind farm design, and is the first company that exports complete sets of wind turbines, among others, in Chile, Belarus and Kazakhstan. It has a registered capital of more than 140 million dollars, and since its foundation, continuously investing in manufacturing technology, currently having seven industrial parks, and a center for equipment export in Shanghai. It manufactures more different wind turbines models, for different climatic conditions - power of 780 kW, 1,500 / 2,000 kW, 2,500 / 3,000 kW, and in cooperation with the German company for wind turbines design, has the model - power of 5,000 / 6,000 kW.