

Chinese firms are competing with French and Italian for a 24% share in the Greek electricity grid under privatization.

Under the conditions of the Greek bailout, Greece must partially or fully privatize its 11,000 km grid. The state currently owns 51% of the grid and is looking to privatize 24%, currently owned by the public electricity utility; for sale is the 11,000 km network of high-voltage power cables in Greece.

Italy's Terna, France's RTE are competing with the colossal State Grid Corporation of China; another Chinese company, ENTZO_E. is considering joining a European Consortium. Kathimerini reports a Chinese interest for an additional 17% share in the public electricity utility, also part of the Greek privatization program. Under the Greek bailout agreement, the Greek public utility must reduce its share of the energy market below 50% by 2020 from about 92% today.

Final and binding bid will have to be submitted by October 31st, 2017. European firms will be up against insurmountable competition, if Chinese enterprises resolve regulatory issues stemming from European legislation.

Of particular interest to Greece is the willingness of China to invest in the interconnection of Greek islands, including Crete, to the mainland electricity grid. That is a major investment program that successive Greek governments have failed to implement, adding significant cost to the overall cost of electricity in the biggest European archipelago, added cost for tourist services, and under-exploitation of wind energy farms in some of the most promising fields in Europe.

China is said to view Greece as a platform for investment in infrastructure in the Balkans. Chinese companies are willing to pay more for Greek assets. During the previous tender for 66% of the Greek grid, SGCC made an precisely double the size of more than 600 million euros, reaching up to 800 million under certain conditions, while Terna offered 300 million euros.

source: neweurope.eu