

Bosnia's China-Funded Power Plant Gets Green Light

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Date : April 6, 2019

Bosnia's Federation entity parliament has approved a resolution allowing the construction on a Chinese-funded thermal power plant - the largest single post-war investment in the country - to go ahead.

The House of Representatives in Bosnia's Federation entity adopted a resolution that supports the government's plan for the construction of a thermal power plant in the northeastern Bosnian town of Tuzla.

State power company Elektroprivreda BiH, which is in charge of implementing this Bloc 7 project, urged MPs, in an open letter to support this decision, saying the project has no alternative because it ensures the stability and independence of Bosnia's energy sector.

"The project, first adopted in 2010, had support from the beginning because it will ensure the long-term power supply of this Bosnian entity, but also cover its future energy deficit produced by the shutting down of some of the existing, dated, power blocs," the open letter from Elektroprivreda BiH noted.

Before construction can start, the Federation's House of Peoples needs to adopt two more documents, according to Fadil Novalic, the entity's Prime Minister.

After the 16+1 Budapest summit in November 2017, Bosnia's electric power company Elektroprivreda BiH took a 700-million-euro loan from China's Exim bank to finish the thermal power plant in Tuzla, the largest single post-war investment in the country.

Elektroprivreda then hired three Chinese companies to construct the thermal power plant.

After the delay of getting the green light from the Federation's parliament, three companies from China - Gezhouba Group, Guandong Electric Power Design Institute and Dongfang Electric Corporation Limited - threatened to pull out of the project, as BIRN previously reported.

In its 2019 report, the Munich Security Conference warned that China's economic outreach in the Western Balkans is a potential risk for the EU, notably in terms of increased reliance on Chinese loans.

The report highlights four Balkan countries indebtedness to Beijing; Bosnia is among them, owing 14 per cent of its total foreign debt to China.

Source: balkaninsight