

Market Opportunities in Energy and Infrastructure

Q1/2016

Legend

Hot 

Warm 

Cold 

01 Serbia



Belgrade – Budapest Railway

It is anticipated that 528 km of railroad will be built over the next three years in Serbia. The majority of track will be reconstructed and modernised and 80 km is planned to be newly constructed. As part of this initiative, the ministry has announced an interstate project between Serbia, Hungary and China for the modernisation of the existing section between Belgrade and Budapest which will be revitalised to support speeds of up to 300 km/h. The project will be implemented by Chinese financiers and contractors.



Nikola Tesla B3 Thermal Power Plant

A third unit is planned to be added to the Nikola Tesla thermal power plant (Nikola Tesla B3 TPP) with 800 MW of installed capacity. The investment is estimated at EUR 1.1 billion and should be completed by 2020. There are several interested investors, among which are companies from Japan and China.



Parking Service

The City of Belgrade will be looking to use PPP for their financing model for the construction of four underground garages. JKP Parking Service, the public utility for parking administration in Serbia, will commence construction of new garages in association with the City of Belgrade. Fourteen locations were analysed and four were identified to be of strategic importance.



Wind Power Projects

Several large scale wind power projects are in various stages of development. These include Continental Wind's Čibuk project, Electrawinds Alibunar project, MK Group/ Fintel's Košava project and Windvision's Alibunar 1. The financing for these projects has been largely private sector with support from international financial institutions and have involved negotiations with the State and grid operator.



Belgrade Airport Terminal

An estimated USD 1 billion will be invested in building a third terminal to be used exclusively by Air Serbia and Terminal 1 will undergo reconstruction and a second runway will be built in, with a cargo centre and hotel nearby. The interested parties include Aratbec Holding, the Persian Gulf's largest construction company, Greek based Copelouzos Group, Fraport, who has recently invested in the Ljubljana Airport, and the EBRD.



Great Morava River Hydro Power Plants

Five hydro power plants, with individual capacities of between 28.9MW and 30.6MW, are planned to be built on the Great Morava River in a cooperative initiative between EPS, the state-owned electric utility power company, and RWE, a German electric utilities company. The project is scheduled to commence in 2016 and to be completed by 2021. The Hydro Power Plants Ibarske project plans another 10 Hydro Power Plants, with individual capacities of between 8.5MW and 12MW. The project is a cooperative initiative between EPS and Seci Energia S.p.A. and should be finalised in 2021. Its estimated value is EUR 300 million.



Belgrade Metro Project

The construction of a rapid transit system in Belgrade is anticipated. The Mayor of Belgrade has stated that the project will begin by 2016 and that the French may support the building and financing of the project. The Belgrade Metro, which has been in the making since the 1950's, has been repeatedly delayed, mostly due to lack of funding. The city has had talks with representatives from Assignia Infraestructuras, a Spanish company with a portfolio of underground garages across the globe.



Ibarske Hydro Power Plant

Ibarske Hydroelektrane doo, a joint company formed by JP Elektroprivreda Srbije (EPS) and Italian company Seci Energy S.p.A., is developing a system of 10 hydropower plants on the Ibar River in Serbia. The total capacity of the system is approximately 120 MW. Currently the project is in pre-construction phase. Once completed, the electricity generated by the hydropower plants should be transmitted to Italy through an undersea cable from Montenegro to Italy and should benefit from the Italian feed-in tariff in the amount of EUR 150 per MWh.

02

Bosnia & Herzegovina



Hydro Power Plant Ustikolina

JP Elektroprivreda BiH, the state-owned electricity company, is looking to develop a 60 MW run-of-river hydro power project on the Drina River in the municipalities of Ustikolina and Goražde in the Federation of Bosnia & Herzegovina. The total investment sought is EUR 139 million. Selection of the EPC contractor will be done through an international open tender procedure.



Wind Power Plant Ivovik

Wind power plant Ivovik is located in south central Bosnia & Herzegovina, in close proximity to the towns of Livno and Tomislavgrad. This part of Herzegovina boasts a moderate climate with average wind speeds of 7.9 m/s at 132 m hub height. Plans for the Ivovik wind farm specify anticipate the construction of 21 turbines with a total generating capacity of 84 MW. All necessary licenses and permits have been obtained for the commencement of construction. The owner of Ivovik is currently seeking a strategic partner to finance the construction of the wind farm. Austrian firm IJEX GmbH, Graz has been appointed as advisor in negotiating the sale of the project or the formation of a strategic partnership.



Kakanj Thermal Power Plant – Unit 8

JP Elektroprivreda BiH, the government-owned electricity company, is looking to replace certain units on the existing site of the TPP Kakanj to improve the production capacities of the plant. The investment sought is approximately EUR 626.3 million, which includes construction of Unit 8 and the development of the associated coalmine. The project is to be implemented through a partnership model, with or without equity contribution. The partner is to be selected through an international open tender procedure.



Green Power Plant Banja Luka

This renewable energy project, located in the vicinity of a regional dumpsite in Ramidi, involves the construction of a biomass cogeneration plant, and a hall with a total roof surface of 30,000 m² with solar panels on the roof. Green Power Plant is seeking joint venture cooperation to construct the facility, amounting to EUR 3 million for the solar power installation and EUR 5 million for the construction of the biomass cogeneration plant.



Gacko Thermal Power Plant

In September 2015 the Minister of Industry, Energy and Mining of the Republic of Srpska in Bosnia & Herzegovina entered into a Memorandum of Understanding with representatives from the Chinese company Dongfang Electric Corporation Limited to build a new 350 MW thermal power plant in Gacko, near the Bosnian border with Croatia and Montenegro, using modern, EU emissions control technology. The contractor will be Elektroprivreda RS. A feasibility study for the project is being completed which is likely to be followed by a tender for an EPC contractor, which is expected sometime in 2016.



The Upper Drina – Hydro Power Projects

The Power Utility of the Republic of Srpska is looking for investors in four hydro power projects (HPP Buk Bijela, HPP Foča, HPP Paunci and HPP Donja Sutjeska) all located in the upper Drina river basin with a total installed capacity of 224.96 MW and required investment of approximately EUR 580 million. The background studies and design documentation for these projects have already been prepared. These hydro power projects have been identified as Projects of Energy Community Interest in the area of electricity generation.



The Middle Drina – Hydro Power Projects

The Power Utility of the Republic of Srpska is looking for investors in three hydro power projects (HPP Rogačića, HPP Tegare and HPP Dubravica) all located in the middle Drina river basin with a total installed capacity of 321.45 MW and a required investment of approximately 870 million. The background studies and design documentation for these projects have been prepared. These hydro power projects have also been identified as Projects of Energy Community Interest in the area of electricity generation.

03

Macedonia



New Highway Priština – Skopje

From 2018, Macedonia and Kosovo will be connected by a new highway. The section of the highway located on Kosovo's territory was opened in November 2015, a project worth EUR 600 million, and constructed by the American-Turkish consortium Bechtel-Enka. As for the part that has to be constructed in Macedonia (Skopje- Blace with distance of 12km), the Macedonian Government is preparing the documentation for a public tender for construction of this second portion of the highway, worth EUR 69 million.



Gas Pipeline

With a total investment of EUR 148 million, the Government of Macedonia is planning to complete a gas pipeline in the capital of Skopje and in Eastern and Western Macedonia. The tenders for construction, management and maintenance of the distribution system of natural gas in Eastern and Western Macedonia worth approx. EUR 90 million will be announced in the near future. Also, the Government is looking for solutions regarding connections to major gas pipelines, such as the Trans Adriatic Pipeline and interconnectors with neighbouring countries.



Highway Construction

The Macedonian Government and EBRD have signed an agreement for the construction of highways in Macedonia. The proposed project, which has a total estimated cost of EUR 78 million out of which the Bank will finance up to EUR 64 million. The aim is to improve the road infrastructure in the Eastern and South Eastern part of the country. It has been decided upon the construction of a 39 km long highway part connecting the cities of Stip and Radovis.



Corridor VIII – Highway

The Macedonian Ministry of Transport is preparing a tender process in May for a concession partner for the construction, operation and maintenance of the Western part of the Corridor 8 Highway, more precisely for the highway Gostivar- Kicevo. The project covers 47 km and after its completion Skopje and Ohrid will finally be connected by a highway.



Vardar Valley Hydro Power Plant

The highly publicised Vardar Valley energy project foresees the construction of 12 hydro power plants alongside the Vardar River. EUR 2 billion worth of investment is required for this project, which will have a total installed capacity of 320 MW and an annual production of electricity of 1000 gigawatt hours. Two of the Hydro Power Plants have a larger installed capacity than the others, particularly the Hydro Power Plant Veles (with 93 MW) and Hydro Power Plant Gradec (with 54.6 MW).



Corridor VIII – Railway

The EBRD is providing EUR 145 million to Macedonia to finance the Corridor VIII railway project which will ultimately link the Black Sea coast in Bulgaria to the Adriatic coast in Albania, as well as Turkey. The financing will allow the completion of a key 34 km section of the corridor. The tendering for the construction of the new section and the reconstruction of the existing section Beljakovce – Kriva Palanka of railway Corridor VIII in the Eastern part of Macedonia will start in Q1 of 2016.



Strengthening the public–private partnership in Macedonia

The Central Financing and Contracting Department of the Ministry of Finance is to issue a tender that would strengthen the administrative capacity to support the legal framework of PPP. The advisor would support the effectiveness of both the public and private sector in implementing the legal framework on PPP following the latest EU directive. The estimated budget for this project is EUR 444,444.



Hydro Power Plant Galište

The Government of Macedonia will award a concession for the construction of the Galište Hydro Power Plant on the Crna River. The Hydro Power Plant will have an installed capacity of 193MW. The construction, which will take a period of seven years, requires an investment of approximately EUR 200 million.



Hydro Power Plant Čebren

The Government of Macedonia will award a concession for the construction of the Čebren Hydro Power Plant on Crna River. The Hydro Power Plant will have an installed capacity of 333MW. The construction, which will take a period of seven years, requires an investment of approximately EUR 320 million.



48 Small Hydro Power Plants

The Macedonian Ministry of Environment and Physical Planning have announced a public call for a concession on water utilisation for electricity production by small HPP via DBOT (Design, Build, Operate, and Transfer) model on the rivers: Vardar, Treska, Bregalnica, Strumica, and Crn Drim. The installed capacity of the 37 small HPP varies from 0.7 MW to 4.36 MW. Regarding the rest of the 11 small HPPs, the range of their power capacity is from 0.7 MW to 1.5 MW. Interested parties have the right to bid for one or more locations for the small HPPs or one or more group of locations for the small HPP.



Combined Gas Power Plant KOGEC

With gas consumption of 225.000.000 nm³ per year, the CGPP KOGEC is envisaged to have an installed capacity of 150 MW for production of electricity and 100MW for production of thermal energy. The construction of the Power Plant will cost EUR 120 million.



Gas Pipeline Construction

The Macedonian Energy Resources Skopje, a joint stock company responsible for energy activities in Macedonia, just issued a tender for the procurement contract of construction of main gas pipeline Section Negotino (Kavadarci) — Bitola. The estimated value of the contract is EUR 36.6 million and bids must be received by 12.05.2016. Macedonia's Project for Construction of the National Gas Pipeline System, commenced in March of 2015 with the first part of the pipeline, 61 km long, being built by Russian Company "StroyTrans Gas". Construction of the national gas pipeline is the first stage of Macedonia's Gasification Project. The second phase will involve the construction of distribution network, which should bring the gas to the country's municipalities. Construction of a gas network throughout the country is expected to be completed by 2022.

04

Montenegro



Pljeva Thermal Power Plant and Mine

The Montenegrin Government is tendering its shares in the only thermal power plant in the country in a tie-in with its shares in the most significant coal mine. The investor is expected to build second block of the power plant, supposedly under PPP regime. The tender procedure is completed and the first ranking company is Skoda Praha.



Highway construction

China's Communications Construction Company (CCCC) and its subsidiary, China Road and Bridge Corporation (CRBC) have been elected as preferred constructor for a priority section of first Montenegrin highway. The bilateral agreement between China and Montenegro includes Loan Facility granted by Exim Bank and amounting to cca EUR 980 million for the priority section. Construction is bound to commence in October 2015.



Italy-Montenegro

Submarine Interconnection

The Italy-Montenegro submarine interconnection is a high-voltage electric interconnection, which is envisaged to connect Montenegro with Italy with the aim of exporting energy from renewable sources produced in Montenegro and in the Balkans to Italy. The construction of a submarine cable between Italy and Montenegro has begun on Italian side of the Adriatic Sea. The construction of the submarine interconnection will cost around EUR 760 million

05

Slovenia



Slovenian Railways – Freight Transport

Slovenian Railways as the sole shareholder of the subsidiary Slovenian Railways – Freight transport are searching for a strategic partner, which will acquire its share in the process of increase of share capital, with the purpose to expand into foreign markets. Slovenian Railways will nevertheless remain the majority shareholder. It is anticipated that the process will be completed by the end of the year.



GEN-I

The largest Slovenian company Petrol has announced that it plans to divest its 50% stake in GEN-I, one of the largest energy retailers in Slovenia with revenues of 1.3 billion EUR in 2014.

Regional Network

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