

His Excellency Mr. Petar Đokić, Minister of Industry, Energy and Mining,

His Excellency Mr. Borislav Marić, Ambassador of Bosnia and Herzegovina in Japan,

Mr. Zeljko Kovacevic, General Manager of Electric Power Utility of Republic of Srpska,

Mr. Dorde Popovic, Director of Power Plant Ugljevik,

Distinguished Guests,

Ladies and Gentlemen,

It is my great pleasure to attend today's Ground Breaking Ceremony of the flue gas desulphurization plant construction project for Ugljevik Thermal Power Plant.

On October 20, 2009, Japan International Cooperation Agency signed a Japanese ODA loan agreement with Bosnia and Herzegovina for up to 12.633 billion yen (app. 200 million KM) for the flue gas desulphurization plant construction project for Ugljevik Thermal Power Plant. The interest rate of the loan is only 0.55%. Repayment period is 30 years including 10 years grace period. This is the second Japanese ODA loan to Bosnia and Herzegovina since 1998. The loan will be allocated for installation of the flue gas desulphurization plant and related equipment as well as consulting services for detailed designs, assistance with tendering and supervision of construction works.

The Ugljevik Thermal Power Plant is a critical part of Republika Srpska's electrical power supply. However, the facilities have aged and they use coal with high sulfur content and a low heat generation rate. Under this project, the first flue gas desulphurization plant in Bosnia and Herzegovina will be installed in the Ugljevik Thermal Power Plant to reduce drastically sulfur dioxide and coarse particulates that pollute the air. Prompt measures are needed for concerns about the harm that the air pollution has on the health of nearby residents. In addition to improving the environment, it will contribute toward achieving the environmental standards required for joining the EU in the future.

I am very glad that Japanese government can support this project and that Japan's high quality plant will be constructed by Mitsubishi Hitachi Power Systems which represents Japan's highest power generation related technology.

At the end, I hope that all the construction works will be done safely and securely. And I expect also that this flue gas desulphurization project will serve as a model for the transfer of expertise in sulfur dioxide reduction and environmental monitoring to Bosnia and Herzegovina and that the success of this project will create a ripple effect in which this technology can be adopted also at other thermal power plants in this country.

Thank you.

Hvala.