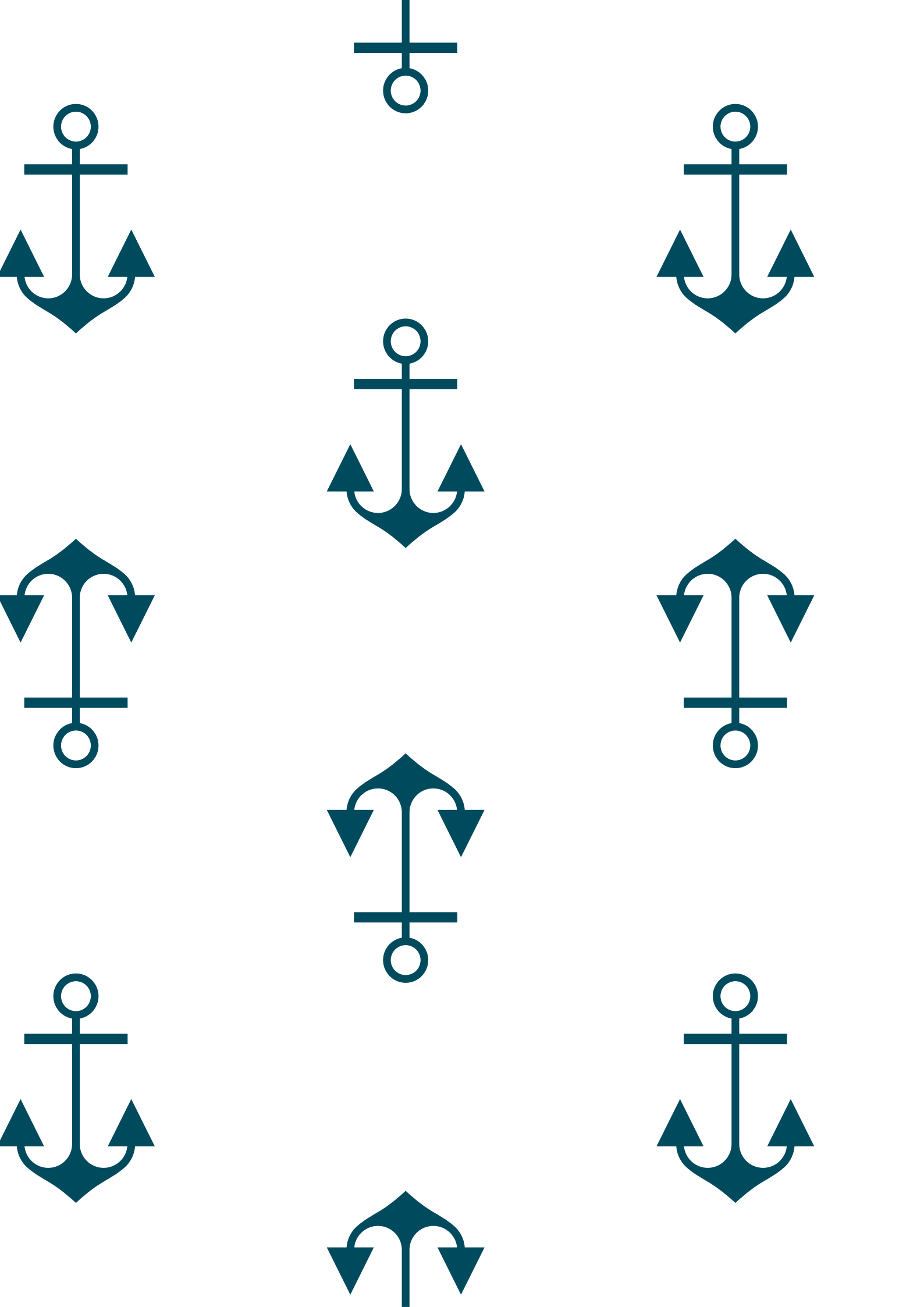
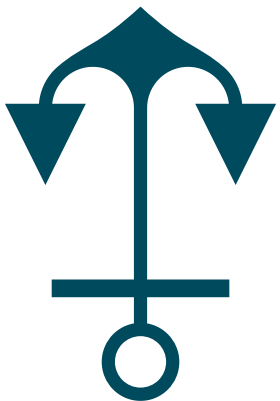
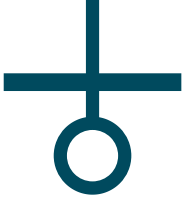




sela
south east legal alliance

**SEE Market Snippets
2022Q1**





Business opportunities in SEE

SEE Market Snippets - 2022Q1

SELA - South East Legal Alliance
April 2022



PREFACE

This report provides a comprehensive analysis of actionable intelligence on current opportunities within the SELA member countries. The information contained herein is intended solely for informational purposes and is generally available to the public and from sources believed to be reliable. SELA does not guarantee the accuracy, completeness, or timeliness of the information and shall not be liable for any damages or costs in connection with the use of the content contained herein.

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SELA LAWYER SPOTLIGHT

Featuring Vladimir A. Batarelo
The sailor

[Read his top 5 sailing tips →](#)

OVERVIEW

Country-by-Country



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Moddy's reconfirmed Albania's rating at B1-Stable Update. The economic recovery for the year 2021 is considered strong, with an increase of 8.9%, the main factors impacting in said increase being the fiscal and monetary policies. The 2021 second trimester GDP reached the pre-pandemic levels, with forecasts to continue to increase, respectively 4.5% for the year 2022, and 4.0% for the year 2023, depending on the further recovery of the tourism sector and stable internal demand.

The consumer price inflation in Albania, as per Moddy's forecast for the first quarter of 2022, is that will remain over 3%, and it is expected to drop to 2.5% at the end of the year 2022. The banking sector in Albania and the government liquidity risk remains contained; the current account deficit is expected to continue to drop to 5.6% of the GDP in 2023, from 8.8% of the GDP in 2020.

A sustainable perspective is also supported by the continuity in the Albanian Government policies, in the context of reforms undertaken toward Albania's EU membership process, as well as of external imbalances impacting at moderate levels. Moddy's estimates the exposure of Albania toward Russia as regards energy and trade interdependency, to be low, similar to the low level of disruptions in the trade contracts between the two countries, as merchandise exports toward Russia and Ukraine constituted respectively 0.01% and 0.14% the total exports for the year 2020.



**For more information on the Bosnian market
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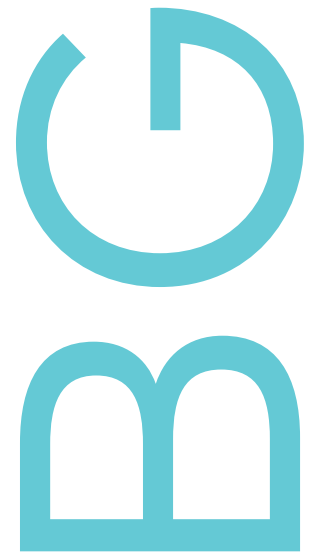
Stevan Dimitrijević
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–

EU member states have accepted the EU membership application of Bosnia & Herzegovina in September 2016, commencing the long process towards EU membership.

Bosnia & Herzegovina has a complex multi-level government structure. It is composed of the Federation of Bosnia and Herzegovina and the Republic of Srpska, collectively referred to as the "Entities". The Entities have significant legislative powers in economy and foreign investments.

The major sector for investment in the country is the energy one as Bosnia has large potential for renewables.



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–

Bulgaria greets its first unicorn - the fintech company Payhawk was valued at USD 1 billion after the last investment round led by the US fund Lightspeed Venture Partners and amounting to USD 100 million.

Bulgaria's gross domestic product (GDP) increased by 4.2% year-on-year in 2021 according to the National Statistical Institute. Private consumption is expected to remain the main contributor to the economic growth, but its pace of growth is seen slowing down compared to 2021 due to the lower wage hikes, the inflation and the overall uncertain situation in Europe following the war in Ukraine.

The finalization on the long-awaited Bulgarian recovery plan is expected to happen in May 2022. The Plan was sent to Brussels and includes 59 investment projects and 46 reforms.



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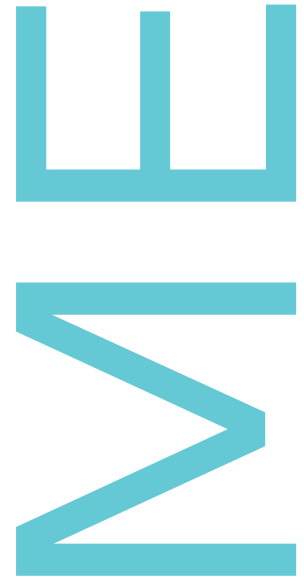
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After challenging beginning of the 2022 caused primarily by the fifth wave of COVID-19 cases, Croatia is focusing its efforts on living up to the positive estimations of the country's economic growth given by the European Commission.

EU country forecasts expect Croatia to remain dynamic growth in 2022.

The recovery in 2021 was supported primarily by growing exports of services (tourism), private consumption and investment. The rising inflation in 2022 is set to weight on private consumption, favourable labour market developments and while pandemic containment measures are becoming relatively mild it still points to its contribution to GDP growth. In 2023, real GDP growth is forecasted start to gradually converge towards the potential growth rate. Employment, which performed rather well during the crisis, is also expected to increase, albeit slowly. Public finances, which bore the brunt of the crisis, are set to recover gradually, moderately reducing the public debt ratio from its elevated levels.

The macroeconomic environment continues to remain stable - investment trends are positive and there is a significant number of investment possibilities in different areas. Going forward, EU funding through various sources aimed at restarting the economy and weathering the crises should play a key role in supporting the country's economic recovery.



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–

The real gross domestic product (GDP) in Montenegro is expected to grow by 5.6% in 2022, according to the World Bank, but Ukraine crisis will certainly slow down country's recovery.

As SEE is facing financial, economic and security consequences, Montenegro's economic recovery will be affected, as well.

Sanctions on Russia, indirect consequences of higher energy and raw material prices, supply chain disruptions, effects on global financial conditions and lower growth of potential partners are expected to impact business across the region. For tourism-dependent Montenegro, Russia and Ukraine are key-feeder markets. The country is heavily dependent on Russian gas, as well.

In order to improve tourism sector, Montenegro will keep investing in its tourism infrastructure and development of its eco-tourism industry to exceed 30% of GDP by 2027. The government is trying to attract large foreign hotel chains that will provide hospitality standards similar to those in Europe.

Montenegro's economy is expected to rebound thanks to investments supporting construction works and the revival of private consumption.



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–

North Macedonia is currently working on encouraging, attracting and creating conditions for the implementation of strategic investments as well changes in the legislation of attracting FDI. As it aim, the process will increase the economic growth, employment and application of new technologies and innovations in different areas such as energy and infrastructure, transport and telecommunications, industrial and technological parks, etc.

This shall enhance the competitive economic opportunities of the Republic of North Macedonia, increase the exports and decrease the trade deficit and it shall improve the wellbeing and living conditions of the citizens of the Republic of North Macedonia.

Privatization of state-owned companies is planned for this year, which through public-private partnership or privatization should overcome the problem of accumulation of losses.

There have also been changes in the incentives structure for supporting FDI.



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–

With a population of nearly 7 million, Serbia is the largest and most prosperous economy in the Western Balkans, serving as a regional hub and springboard for companies to access the larger regional market.

In October 2021 the International Monetary Fund predicted that Serbia's gross domestic product will grow by 4.5% in 2022. Due to the impact of the Ukraine crisis, IMF now plans to revise down Serbia's economic growth projections.

As SEE is preparing to bear the brunt of the financial, economic and security consequences, Serbia's economic recovery will be affected by Ukraine crisis, as well. Sanctions on Russia, higher energy and raw material prices, supply chain disruptions, effects on global financial conditions and lower growth of potential partners are expected to impact business across the region.

Further, it is expected that higher prices will bring inflationary pressure. Should economic disruptions warrant further support to the affected groups or activities, including the state owned enterprises in the energy sector, the additional expenditures should be accommodated by reprioritizing the budget current and capital spending, within the agreed 3% of GDP fiscal deficit ceiling.

The banking system remains well-capitalized and liquid, but continued vigilance is essential and also been provided with sufficient foreign cash to meet additional requests driven by uncertainty.



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–

In Slovenia, most indicators suggest that the relatively favourable trends in economic activity observed at the end of 2021 are continuing. Overall turnover in industries such as hospitality, arts and entertainment activities or travel industry is still below pre-COVID-19 level, however, all improved at the beginning of 2022. Meanwhile, manufacturing output, trade in goods etc. rose significantly with expectations remaining high for the future as well. Slovenia's gross domestic product (GDP) is forecast to 3.8% for 2022.

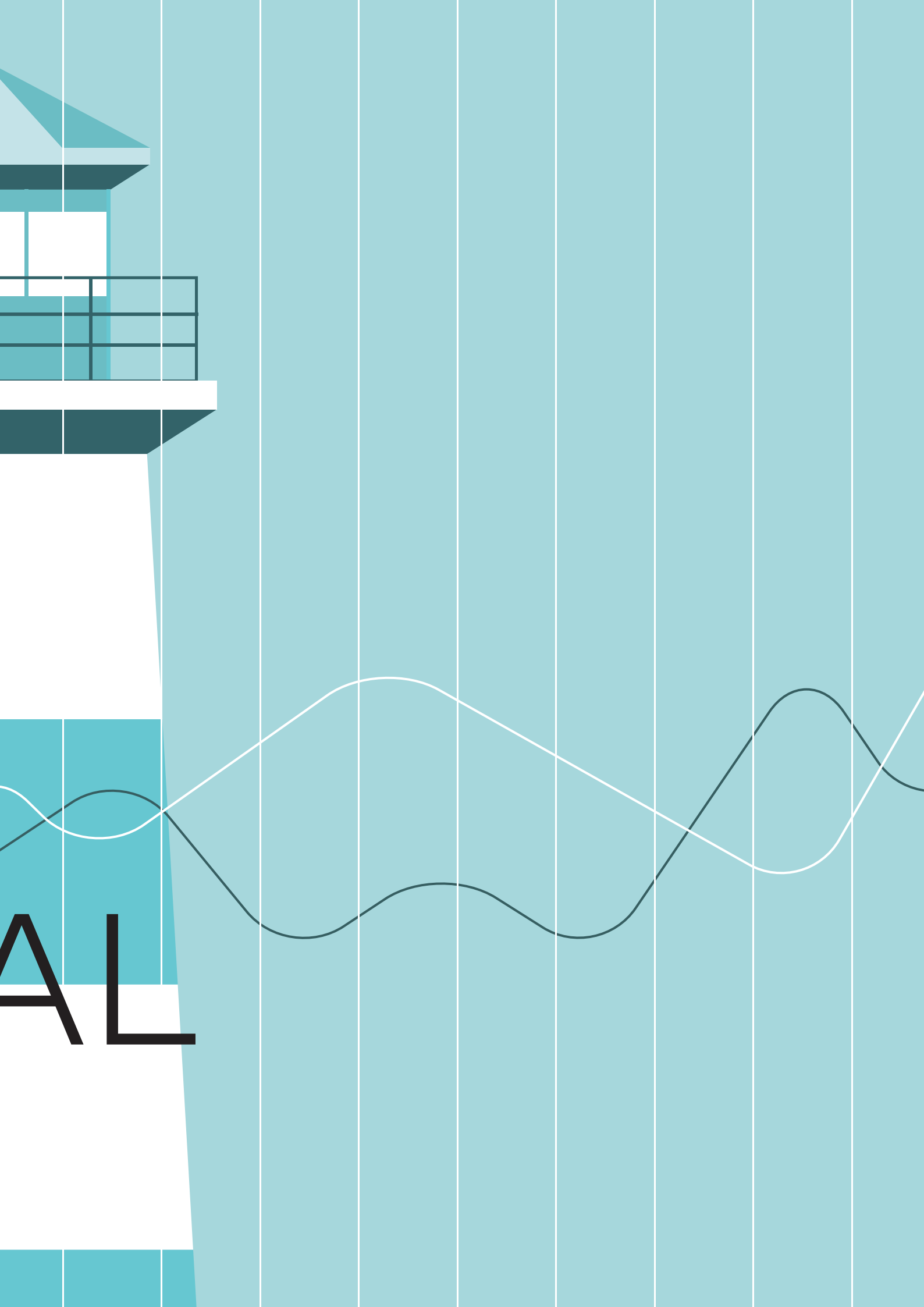
In the last quarter of 2021, the number of employed persons increased sharply. At the beginning of 2022, 67,834 people were registered as unemployed, which is a significant decrease compared to the same periods of 2021 (by 25%) and 2020 (by 15%).

The COVID-19 epidemic over the last two years strongly marked the Slovenian economy, and now outlook once again gets a bit gloomier due to invasion of Ukraine and rising geopolitical tensions. In light of current events there is some uncertainty over the impact of the conflict to future economic sentiment.



By Industry

POTENTIAL DEALS



AL

MERGERS & ACQUISITIONS

SBERBANK'S FIRE SALE OF CROATIAN FORTENOVA GROUP

Market/jurisdiction: Croatia

Sector: Food and beverages, Retail

Deal Category: M&A

Deal value: n/a

Fortenova Group is the largest privately-owned company in Croatia and the successor of a former retail giant - The Agrokor Group, with production and distribution of food and beverages and retail trade as its core businesses.

After indebtedness crisis with Agrokor in 2017, business operations were transferred to than established Fortenova Group. During the turnaround efforts, Russian Sberbank became the largest individual shareholder of the Fortenova Group in 2019.

Under the new business circumstances arising in relation to the changed security situation in Europe, some of EU markets are experiencing withdrawals of Russian-based investors. This is also the case of Fortenova. Sberbank is reportedly in talks to sell its approx. 44% stake in Fortenova to a potential buyer.

ACQUISITION OF STEEL MILL ŽELJEZARA NIKŠIĆ

Market/jurisdiction: Montenegro
Sector: Energy
Deal Category: Privatization/PPP
Deal value: n/a

Montenegro's diversified holding group Neksan is interested in the acquisition of steel mill Željezara Nikšić from Turkey's Toscelik. Toscelik acquired Zeljezara Niksic in 2012 for EUR 15.1 million after placing the best bid in an auction launched by the government. Back then, Neksan placed the second-best offer.

Neksan was also in charge of the management of Željezara Nikšić in 2003 and 2004, when the company was sold by the government to Russian company Midland, which later withdrew from the deal and returned the steel mill into state ownership.

Toscelik suspended production activities at Željezara Nikšić in March 2021, due to a drop in orders caused by the coronavirus pandemic. Last year, the Turkish company said it is in talks for the sale of the steel mill.

PRIVATIZATION OF BH TELECOM

Market/jurisdiction: Bosnia & Herzegovina
Sector: Telecom
Deal Category: Privatization
Deal value: n/a

BH Telecom is the biggest telecom provider in Bosnia and Herzegovina and there are plans for privatization.

Due diligence for management of the company has been completed back in 2018.

PRIVATIZATION OF THE ARMS PRODUCTION COMPANIES IN THE REPUBLIC OF SRPSKA

Market/jurisdiction: Bosnia & Herzegovina
Sector: Arms Industry
Deal Category: Privatization
Deal value: n/a

The Government of the Republic of Srpska intends to privatize companies engaged with production of arms and provision of services related to defence including Kosmos Banja Luka and Orao Bijeljina.

SALE OF PROJECT FOR RESIDENTIAL COMPLEX AND RETAIL PARK IN VARNA

Market/jurisdiction: Bulgaria

Sector: Retail

Deal Category: M&A

Deal value: Upon request

Sale of residential project and retail park to be constructed over 33,000 m² land plot located in one of the most populated areas in Varna. The project consists of residential buildings with 48,000 m² of built-up area, including 370 apartments and 370 indoor and outdoor parking spaces and a retail park of 21,000 m² including around 6,000 m² of retail space and 300 parking spaces. The land plot has a detailed development plan entered into force. The construction works are planned to start in early 2022.

PUBLIC CALL FOR STRATEGIC INVESTORS

Market/jurisdiction: North Macedonia

Sector: Various

Deal Category: n/a

Deal value: EUR 30 to 150 million

The purpose of the Law for Strategic Investments is to attract foreign investor in strategic areas for the country.

In order to qualify for the status, the Investment must be at least EUR 50 million. Once it qualifies the investor enters direct negotiation with the government in regard to support and state aid possibilities.

PRIVATIZATION OF THE FACTORY EUROKOMPOZIT

Market/jurisdiction: North Macedonia

Sector: Production of electro-insulating materials/Military supplies

Deal Category: Privatization/PPP

Deal value: n/a

The Government announced the privatization of the Factory Eurokompozit, a factory for electro-insulating materials established in 1952 and engaged in production of special-purpose products that is military and police equipment since 1978.

It counts a total number of 430 employees and the production program is divided into two main branches: Military and law enforcement equipment and Civil trade-oriented products. At present the feasibility study is being prepared.

PRIVATIZATION OF THE NATIONAL POST OFFICES

Market/jurisdiction: North Macedonia
Sector: Postal services
Deal Category: Privatization/PPP
Deal value: n/a

The Government instructed the Deputy Prime Minister in charge of economic affairs, the Minister of Economy and the Director of National Posts to initiate the preparation of a feasibility study on the possibilities for initiating a procedure for taking over the company with a public-private partnership or with privatization to continue the process of liberalization of postal services in the country in accordance with EU regulations. At present the feasibility study is being prepared.

PRIVATIZATION OF STATE-OWNED COMPANIES

Market/jurisdiction: Slovenia
Sector: Various
Deal Category: Privatization
Deal value: n/a

SSH and DUTB, managing the privatization process continue with the sale of state's share in various state-owned companies, among which are Argolina d.o.o., Cinkarna d.d., ISTRABENZ d.o.o., Salomon d.o.o., Talum d.d., Thermana d.d. etc.

SALE OF STUDIO MODERNA

Market/jurisdiction: Slovenia
Sector: Retail
Deal Category: M&A
Deal value: n/a

Studio Moderna Group, one of the leading multi-brand and direct-to-consumer retailers across Central and Eastern Europe, with more than 340 stores, 16 distribution centres, more than 350.000 website visits a day and more than 160 hours of TV commercials a day, is in search for a new owner.

Currently, sellers are in the process of collecting non-binding offers.

INFRASTRUCTURE

MOU ON STRENGTHENING OF THE ALBANIAN CYBERNETIC INFRASTRUCTURE

Market/jurisdiction: Albania

Sector: TIK Infrastructure

Deal Category: Project

Deal value: n/a

By Decision no.1 of the Council of Ministers „On the approval of the memorandum of understanding between the Council of Ministers of the Republic of Albania and JONES INTERNATIONAL GROUP, toward strengthening of the cyber security of infrastructure, critical for Albania“, dated 10 January 2022, the Albanian Government approved the Memorandum of Understanding with Jones International Group a US-based group.

The purpose of this project is the strengthening of the Albanian cybernetic infrastructure. Details of the tender procedure and of costs involved are expected to be disclosed in the upcoming months. The Jones International Group has previously cooperated with Albanian government, during the establishment of Albania's transmission system operator (OST).

WORLD BANK LOAN FOR LOCAL SELF GOVERNMENTS IN SERBIA

Market/jurisdiction: Serbia

Sector: Infrastructure/Energy

Deal Category: Project

Deal value: USD 100 million

World Bank approved a USD 100 million equivalent loan which will provide Serbia's Local Self Governments substantial support to manage sustainable infrastructure, promote equitable growth, and facilitate the green transition.

The loan is part of USD 300 million in financing for the Local Infrastructure and Institutional Development Project (LIID), which was prepared in collaboration with the French Development Agency (AFD).

LIID aims to assist the Government of Serbia in fulfilling its aspirations to deliver better infrastructure services, improve mobility, lower the carbon footprint, and increase access to economic opportunities and services for all citizens.

It is expected to help Serbia achieve its goal of lowering greenhouse emissions by 9.8% by 2030 compared to 1990 levels.

LIID will finance investments aimed at improving mobility, including roads, sidewalks, bicycle lanes, public spaces, and public transport facilities.

TENDER FOR CONSTRUCTION OF UNDERGROUND GARAGES

Market/jurisdiction: Serbia

Sector: Infrastructure

Deal Category: Tender/PPP

Deal value: n/a

The city of Belgrade opened the tender for the construction of an underground garage in Skerlićeva Street in Vračar. The garage will have three levels and 348 parking spaces on a total area of 11,660 m².

The opening of the tender is announced for May, following which the selected contractor will prepare the design and then begin the works at the beginning of next year.

The construction of underground garages beneath the Kalenić Green Market and the Belgrade Drama Theater has been announced as well, which should bring over 1,000 parking spaces to that part of the city.

ESCO PUBLIC LIGHTENING

Market/jurisdiction: Bosnia & Herzegovina

Sector: Infrastructure – Public utilities

Deal Category: Investment, construction

Deal value: n/a

Environmental Protection Funds in Bosnia and Herzegovina in cooperation with various international agencies such as World Bank, EBRD and the World Bank have initiated number of ESCO model projects in different local communities in Bosnia and Herzegovina in order to improve energy efficiency in public buildings and public lightening.

This creates opportunities for ESCO companies to actively participate on tenders for implementation of ESCO projects.

SHIP LOCK ON TISA RIVER

Market/jurisdiction: Serbia

Sector: Infrastructure

Deal Category: Project

Deal value: EUR 60 million

Serbia plans to build a new ship lock on the Tisa river to improve waterway transport links with neighbouring Hungary.

Construction works on the ship lock, to be located in the northern Bečej municipality, will begin in the next 12 months (starting from March 2022) and will be completed by 2026. The ship lock will quadruple Serbia's capacity to transport goods from Hungary on its internal waterways and will facilitate new investments.

For the purpose of the project, the infrastructure ministry signed a memorandum of cooperation with Vode Vojvodine, the water utility of the autonomous province of Vojvodina.

MOTORWAY NETWORK

Market/jurisdiction: Bosnia & Herzegovina

Sector: Transport infrastructure – Roads

Deal Category: Concession / PPP / Construction

Deal value: n/a

The Government of the Republic of Srpska announced ambitious plans for construction of motorway network in Republic of Srpska and state owned motorway operator runs the competitive dialogue for design, construction and financing of the Vukosavlje – Brčko section as well as the tender for design, construction of Bijeljina – Rača section.

Also, EBRD approved loans for financing new sections of the Vc Corridor Highway from north towards southern part of the country.

TRAM SUPPLY TENDER FOR SOFIA MUNICIPALITY

Market/jurisdiction: Bulgaria

Sector: Public transport

Deal Category: Public tender

Deal value: EUR 8.5 million

Stolichen Elektrotransport, one of the public transport companies serving the Bulgarian capital Sofia, opened a tender worth an estimated 16.6 million leva (USD 9.6 million / EUR 8.5 million) for the delivery of four trams.

The project benefits from EU financing under operational programme Environment 2014-2020. The tender envisages the delivery of four new low-floor trams, employee training, and maintenance services along with the delivery of specialised tools. Price and technical criteria will have 50% weight each in the overall ranking of the bids.

ENGINEERING (DESIGN AND CONSTRUCTION) OF STREETS AND FACILITIES

Market/jurisdiction: Bulgaria

Sector: Infrastructure

Deal Category: Public tender

Deal value: EUR 23 million

Sofia municipality opened a tender for the construction, reconstruction and repair works of public streets in 6 different locations in Sofia.

DEANOVEC DATA CENTER

Market/jurisdiction: Croatia

Sector: Telecommunication, IT

Deal Category: Project / Logistics

Deal value: up to EUR 120 million

Odašiljači i veze d.o.o. as the project developer is looking for a strategic partner(s) for designing, construction and management of the data center. Location of the data center is connected with the optical core network, while further expansion of the currently existing connection with electricity transmission line is available.

Project developer has 12 hectares of land which was once used for medium and short wave broadcasting, and most of the land is now available to be utilized for new purposes. At the location, there is a station for connection with satellites, as well as building which can be partially used for the new data center as well.

The goal of the project is construction and management of the biggest green and telecom-independent data center in the region, which should enrich the collocation and other standard data services market, primarily for undertakings, hyperscalers, telecommunication companies, cloud services providers and content delivery services for private and public sector.

PORT OF SLAVONSKI BROD – LIQUID CARGO TERMINAL

Market/jurisdiction: Croatia

Sector: Infrastructure - Energy

Deal Category: Project

Deal value: EUR 12 million

The Port of Slavonski Brod is located on the left bank of the River Sava, 4 km southeast of Slavonski Brod, on the border between the Republic of Croatia and the Republic of Bosnia and Herzegovina, close to the intersection of the railway corridor X and the road corridor Vc. It is also the international port of entry to the European Union. The port has direct access to road and rail networks that facilitate the loading and storage of goods as well as freight forwarding to inland waterways along the Danube to the main Croatian seaports Rijeka, Ploče, Split and Zadar, and on the opposite direction right up to the Black Sea.

In the process of securing the conditions for a more dynamic growth in terms of activities of the Port, the Port Authority of Slavonski Brod, which manages and develops the port on the River Sava on an area of 90 hectares, is conducting an investment cycle of approx. EUR 17 million, including the construction of the port and accompanying facilities as well as the development of the wider port area with all the necessary infrastructure (so far about 80% of the port infrastructure has been built). Currently, there is an oil terminal for reloading of crude oil and a bulk cargo terminal. A contract with the concessionaire for the construction of the thermal power plant/heating plant and bio-ethanol plant has also been signed. In addition, the Port Authority also plans to construct a new terminal for liquid cargo (diesel, gasoline, bioethanol) with 8 tanks and total capacity of 48,000 m³.

In order to increase the volume of cargo reloading and the handling capacities of the Port (up to 1,500,000 tons per year), a road network is also being planned, which would go along the banks of the river, together with a container terminal with a capacity of up to 200,000 tons. The plan foresees the construction of adjoining facilities, a Ro-La terminal for reloading trucks on low-floor wagons with a capacity for receiving/dispatching 20 low-floor wagons as well as a terminal for hazardous goods and a shipyard for the maintenance and servicing of ships.

The Port Authority is seeking strategic partners to invest in the liquid cargo terminal, through a concession model (for a period of 5 to 25 years, which could be prolonged to 50 years, provided the Government of the Republic of Croatia grants an approval) or through the right to build model. The estimated value of the investment is EUR 12 million.

PRIVATIZATION OF NORTH MACEDONIAN RAILWAYS

Market/jurisdiction: North Macedonia

Sector: Transport infrastructure - Railways

Deal Category: Privatization/PPP

Deal value: n/a

The Government announced reforms which through public-private partnership or privatization would overcome the problem of accumulation of losses in their operations.

The Prime Minister announced possible privatization for the North Macedonian Railways in the following years. Privatization of the Factory for rail vehicles - "Kolska Veles", was also mentioned. At present the feasibility study is being prepared.

NATURAL RESOURCES & ENERGY

CROATIAN MUNICIPALITIES ENGAGED IN GEOTHERMAL PROJECTS

Market/jurisdiction: Croatia

Sector: Energy

Deal Category: Project

Deal value: n/a

In the last few years, several Croatian municipalities participated in bidding procedures organized by Croatian Hydrocarbon Agency, by which they have acquired licences and permits necessary for exploration and exploitation of geothermal waters for heating and electricity production.

After a standstill of two years caused by the pandemic, recently there are notable indications of new market developments. For example, City of Bjelovar is investing in exploration of new geothermal wells, which are intended to serve as a source of energy for the future entrepreneurial zone Veliko Korenovo. At the same time, City of Đurđevac has just published an Expression of Interest Call, looking for a private partner for a potential joint venture for the investment in geothermal in Lešćan exploration area.

These two upcoming projects are probably just a glimpse of entire range of future investments in the geothermal sector, considering number and abundance of geothermal resources in the continental part of Croatia. Also, recently introduced grant schemes, aimed at promotion of renewable energy and provided on state and EU level, will for sure foster additional investments in geothermal sector.

REHABILITATION OF FIERZA HPP

Market/jurisdiction: Albania

Sector: Energy – Electric Power

Deal Category: Project

Deal value: EUR 50.35 million

The Albanian Government, the German Government and EU representatives signed loan and grant agreements with regard to the rehabilitation of Fierza Hydropower Plant. This project will involve a loan of EUR 40 million and a grant of EUR 2 million issued by the Federal Republic of Germany through the KfW Bank, as well as a grant of EUR 8.35 million issued by the EU, through the West Balkan Investment Framework (WIBF).

As part of EU economic investments for the Western Balkan region, this investment shall support one of the most important energy sectors in Albania, that produces 22% of the entire internal energy production.

This project aims to ensure long-term, sustainable and environment friendly energy supply by increasing the life cycle of Fierza HPP by at least 30%, as well as increasing its capacity and efficiency by at least 10%, aiming toward the reduction of electric power import and reduction of CO2 emissions.

PUBLIC CALL FOR DEVELOPMENT OF LAND WIND PLANTS

Market/jurisdiction: Albania

Sector: Energy - Eolic Energy

Deal Category: n/a

Deal value: n/a

The Albanian Ministry of Infrastructure and Energy launched a call for auction qualification regarding the preselection for the development of land Wind Plants, which locations shall be determined by the winning bidders and shall benefit of support measures from the Albanian Government. The bid opening date shall be 20 June 2022.

The project shall consist on the design, financing, development, operation and maintenance of several land wind plants, with a minimum installed capacity of 10 MW in 75 MW (included), which location shall be determined by Selected Bidders, each benefitting of state support for the construction of these wind plants at the locations determined by respective bidders. Through this bidding procedure the Albania Ministry of Infrastructure and Energy (MIE - Contracting Authority) shall select projects having a general capacity of 100 MW, with the possibility of raising it to 150 MW.

The bid procedures shall be organized in 2 phases:

1. In the first phase by submitting the Qualifying Request bidders aim to be pre-selected as Potential Bidders offering proof of due technical experience, financial and legal resources to successfully conclude a project.
2. in the second phase bidders shall submit the Request for Proposal, proving the project feasibility at the proposed location and submit a Financial Bid.

HYDRO, SOLAR AND WIND PROJECTS

Market/jurisdiction: Bosnia & Herzegovina

Sector: Energy

Deal Category: Joint Ventures – Construction

Deal value: n/a

Elektroprivreda Republike Srpske announced ambitious plans for development of new capacities to increase production of electricity from renewables including ongoing hydro projects as well as new solar and wind projects including joint ventures with interested foreign investors.

PROJECT OF IMPLEMENTATION OF SMART ELECTRICITY METERS

Market/jurisdiction: Serbia

Sector: Energy

Deal Category: Project

Deal value: EUR 80 million

Government of Serbia and EBRD signed agreements for the implementation of smart electricity meters in Serbia, as well as agreement on a EUR 40 million worth loan for financing the first phase of the project.

The project will be implemented in two phases, with a loan and financing agreement for the first phase concluded with the EBRD.

The first phase of the project will end by 2025, while the deadline for the realization of the entire project is 2027.

Čačak, Niš and Kraljevo will be the first three cities in Serbia to implement smart electricity meters by 2025.

CONSTRUCTION OF HYDROPOWER PLANTS ĐERDAP 3 AND BISTRICA

Market/jurisdiction: Serbia

Sector: Energy - green, wind and hydro

Deal Category: Project

Deal value: EUR 17 billion

The Ministry of Mining and Energy presented a EUR 17 billion investment plan that includes these two hydropower plants Đerdap 3 and Bistrica, as well as solar, gas and wind power plants which will secure the stability of the energy system.

The implementation of the investment would begin in 2022.

FIRST FLOATING SOLAR POWER PLANT IN MONTENEGRO

Market/jurisdiction: Montenegro

Sector: Energy - Solar

Deal Category: Project

Deal value: EUR 10 million

State power utility Elektroprivreda Crne Gore (EPCG) plans to build the first floating solar power plant in Montenegro and one of the first in the region, at its Slano reservoir, near the city of Nikšić.

Slano represents a great potential for renewable energy development in Montenegro, particularly given that the country does not have large land areas suitable for ground-mounted solar power plants, and the lake is not recognized as a tourist location.

The Slano reservoir spans about 9 square kilometers and is owned by EPCG, which means that the deployment of solar panels would not entail resolving any ownership issues.

Floating solar power plants are a relatively new phenomenon. Numerous studies confirm that they are 12.5 percent more efficient than solar power plants on roofs and ground.

The project is expected to begin in the first half of 2022.

MODERNIZATION AND PRIVATIZATION OF TEC NEGOTINO

Market/jurisdiction: North Macedonia

Sector: Energy – Fuel oil

Deal Category: Potential Privatization/PPP/Concession

Deal value: n/a

TEC Negotino is a thermal power plant operating on fuel oil. It is the second-largest producer of electricity in the country with maximal capacity of 215 MWh. It is kept as a reserve of North Macedonia's energy system.

The Government has made a decision for modernization into Natural Gas Turbine Power Plant and privatization which will include PPP or concession. At present the feasibility study is being prepared.

LEISURE

CONCESSION OF MINERAL BATHS NEAR SOFIA

Market/jurisdiction: Bulgaria

Sector: Tourism

Deal Category: Concession (Construction works and operation)

Deal value: Approx. EUR 2 million

A concession procedure has been approved by Sofia Municipality for construction and operation of a SPA centre, encompassing the renovated historic building of the mineral baths in Bankya. The term of the concession is 20 years and the minimum annual concession fee is EUR 100,000. The procedure stipulates the construction of an underground swimming pool and other facilities at the approximate value of EUR 1 million over the next 2 years.

INVESTMENTS IN MONTENEGRIN TOURIST FACILITIES

Market/jurisdiction: Montenegro

Sector: Tourism

Deal Category: Investments

Deal value: EUR 300 million

One of the richest families from the Middle East is interested in investing EUR 300 million in Montenegrin tourist facilities.

After the recently concluded Montenegro Business Forum in Dubai, the Ministers of Finance and Economic Development stated that they had an announcement of an investor who would invest EUR 300 million in tourist capacities in Montenegro.

DUBROVNIK 3 SISTERS – CROATIAN DREAM

Market/jurisdiction: Croatia

Sector: Tourism

Deal Category: Project - Construction

Deal value: EUR 920 million

The Project "Dubrovnik 3 Sisters - Croatian Dream" extends over an area of 260 ha, of which 40 ha is earmarked for a luxury resort with hotels, a tourist centre and additional facilities – 7 hotels with 400 accommodation units, 500 apartments, sports facilities, a marina for mega yachts with 400 berths, a golf course (27 holes), 220 villas, shops, restaurants, bars, museums, galleries and many other facilities. The project is 100% privately owned and it is located in the centre of the Dubrovnik-Neretva County, on the eastern Adriatic coast, in the corridor that connects Central and Eastern Europe. The location is attractive due to its proximity to the City of Dubrovnik, the most famous Croatian city and world-class tourist centre.

Construction requirements within the zone enable the construction of structures up to 5 floors, with a maximum height of 20 m, given that 40% of the building plot needs to be landscaped as parks and natural green areas. The project infrastructure has been harmonised with the existing spatial plans. The zone envisaged for the resort has been earmarked for tourism purposes in the Urban Development Plan. The drafting of an environmental impact assessment and the Urban Development Plan for the zone with the golf course is underway, as well as preparations of the feasibility study.

Estimated value of the project is EUR 920 million and the project holder is looking for investor or strategic partner.

BELVEDER TERRACE IZOLA - GLAMPING

Market/jurisdiction: Slovenia

Sector: Tourism

Deal Category: Project

Deal value: EUR 15 million

Glamping is one of the possible development contents of this field. The area borders the Resort San Simon, the most intensive tourist part of Izola. The project is designed to take advantage of this strategic location, especially the protected area.

The project includes a didactic garden to raise awareness of the importance of biodiversity and protected areas in the North Adriatic, a funicular or other way to ensure public access to the sea from the future garage above this area and glamping houses.

THERMAL VILLAGE OF KOSTANJEVICA NA KRKI

Market/jurisdiction: Slovenia

Sector: Tourism

Deal Category: Project

Deal value: EUR 39 million

The construction of a new thermal village in Kostanjevica na Krki envisages an exclusive spa resort with public baths and individual houses with private thermal water pools. In nearly 5 hectares, there will be two distinctive but together connected areas – public and private.

In the smaller part of the new thermal village, there will be a public area with an administration building, a reception, a restaurant, and other public facilities that service and support public bath (including parking). The public site will also include a large, more than 5.000 m² big thermal water natural pool available to the general population.

The remaining area of the new thermal village will be more private and available to the owners and tenants of the individual houses. There will be 28 private plots of land (700-900 m² each) on which individual houses with private thermal natural pools will be built. Houses are one story (P+M) tall and 8,60 m x 13,30 m (228 m²) big units with living, sleeping and leisure areas. In addition to the common living and sleeping areas, each house will have its gym, sauna, indoor Jacuzzi and outdoor deck with a natural pool of warm thermal water. Each house will be able to accommodate up to 10 persons per night. Access to the private plots with big courtyards for parking will be provided from the primary two-way internal road.

In the middle of the new thermal village, there will be a public park. There will be a children playground and other arrangements for recreation and different leisure activities in the park area.

PERUNIS

Market/jurisdiction: Slovenia

Sector: Tourism

Deal Category: Project

Deal value: EUR 2.5 million

The concept of the adventurous interactive park Perunis is a combination of natural and technological. The stories of people returning to nature and themselves are connected with modern technologies, augmented reality, virtual reality and impressive themed worlds in the interior that cannot be experienced anywhere in the vicinity.

The outer part forms a parking lot, which closes the noise and view from the everyday world. Around the main indoor building, called the observatory, there is a restaurant, a sports and recreational area with a pump track and many interesting natural adventure points that take us back to nature.

At the heart of this nearly 21,500-square-foot outdoor space is an imposing 1,400-square-foot facility that houses an interactive museum, a small cafe, and support services (cloakroom, restrooms, etc.). It is a highly innovative architectural building with an open part and a terrace facing the sky, nature. Inside this observatory, there is an exhibition space divided into three sections: bright (showcases, classical exhibitions and access to the arena), transitional (interactive educational content for all common goals) and dark (high-tech solutions). The story is rounded off and completed by the accommodation units, the so-called modern "Glamping", where guests will also be able to sleep in the heart of nature.

SELA lawyer spotlight

FEATURING
VLADIMIR A. BATARELO



Vladimir is a founding partner in BDV. He specializes on Banking & Finance, Corporate, M&A and Tax Law. Vladimir heads BDV Tax & Customs Department regularly advising clients on various tax law matters, in particular in fields of VAT, and European and International Tax Law.

Vladimir is recognized amongst leading business lawyers by clients and independent legal directories alike.

*"'Knowledgeable and analytical', team head Vladimir Batarelo is noted for his tax expertise..."
– The Legal 500, EMEA*

When not advising clients or focusing on family matters, Vladimir is very passionate about sailing. Sailing has been Vladimir's hobby for a few years now, and he considers it as excellent therapy for stress relief. Even though he enjoys the whole Croatian Adriatic Coast, his most preferred routes are in central Dalmatia, from Kornati islands to Vis, Hvar and Brač.

TOP 5 SAILING TIPS:

- Be informed and responsible. While learning, do it with an experienced sailing expert and practice sailing when the winds are light and the traffic is low. Reading a book about sailing is always a good idea.
- Learn basic sailing terms. Being familiar with the sailing terms is important to be successful in sailing.
- Safety always comes first.
- Monitor weather conditions and wind changes. Check the weather forecast daily and always keep in mind the potential places that you could anchor if there is a sudden change in weather.
- Practice makes it perfect. Be persistent, the more you sail, the better sailor you will be.



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The information contained in this brochure is provided for informational purposes only, and should not be construed as legal advice on any subject matter.

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