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SEE Market Snippets **2023Q1**





Business opportunities in SEE

SEE Market Snippets - 2023Q1

SELA - South East Legal Alliance
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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 Iliya Grozdanov

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OVERVIEW

Country-by-Country



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In December 2022 Standard & Poor's (S&P) international agency confirmed Albania's rating at "B+", outlining a "stable" perspective.

The Agency forecasts that Albania's GDP may suffer a drop from 3.2% during 2022 to 2.2% during 2023, which is expected to recover in the upcoming years until potentially reaching an average of 3.4% in 2024-2025.

The Agency envisaged a reduction of Albania's fiscal deficit to 3.7% of the GDP for 2022 and further on an improvement to 2.9% until the end of 2025, in accordance with the Albanian Government commitment to balance public finances.

Notwithstanding the difficult global financial situation, the Russia-Ukraine conflict and the downsizing of the work economic activity, the Albanian currency LEK (ALL), situated under a free exchange rate regime has been evaluated over the EU currency (Euro). The stability of LEK (ALL) has caused to downsizing of the pressure over public finances and banking system. The strong foreign net influxes have strengthened the foreign currency reserves in Albania.

The banking sector in Albania is considered to be liquid, duly capitalized and profitable. Nonperforming loans were at the level of 5.1% of overall loans in September 2022; the lowest level of NPLs having been reached in 2014 with 25.0% of overall loans.



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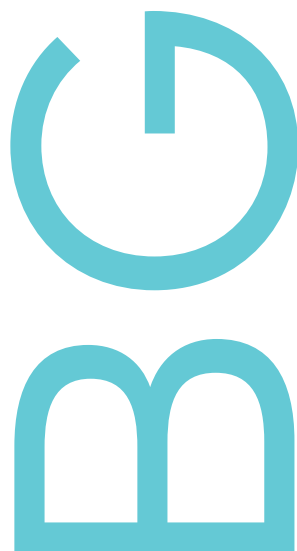
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Bosnia & Herzegovina has a complex multi-level government structure. It is composed of the Federation of Bosnia and Herzegovina and the Republic of Srpska, collectively referred to as the "Entities". The Entities have significant legislative powers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

At the end of 2022, Bosnia and Herzegovina officially received the status of a candidate country for EU.

The economy of Bosnia and Herzegovina bounced back strongly in 2021 from the pandemic-induced economic crisis, with growth estimated at 7.1%. Real GDP growth was driven by a surge in exports, and robust growth in private consumption. However, output growth in 2022 is expected to slow to 2.7%, as the war in Ukraine disrupts trade and exacerbates energy and food price increases.



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Direct foreign investments in Bulgaria in 2022 stood at 2.25 billion euro, the equivalent of 2.7 per cent of the gross domestic product (GDP). Investment in equity, including in the real estate sector, recorded an inflow of 461.2 million euro (and re-invested earnings amounted to 1.31 billion euro).

The Fitch Ratings has affirmed Bulgaria's long-term foreign-currency issuer default rating (IDR) at 'BBB' with a positive outlook reflecting the prospect of Euro adoption. Bulgaria targets to join the Eurozone no later than January 1, 2025 as the aspirations to join it from January 2024 are jeopardized by the EU-harmonized inflation rate in the country of up to 14.3% year-on-year at the end of 2022. Both external and internal factors led to this inflation rate for the previous year, requiring time to accommodate within the reference value. After the fourth elections since April 2021 held in April of 2023 Bulgaria is looking forward to form a viable government to resolve the political crisis.

All authorities in charge as well as the financial sector are taking additional measures to prepare the country for euro area accession, both legislatively and in line with other applicable criteria. Concurrently, all pro-EU influential political forces have proclaimed joining the Schengen area a high priority of the state.

According to the Association of the Banks in Bulgaria, the country entered 2023 in very good financial health - the banking system in Bulgaria is stable, liquid, very well capitalized and with declining levels of bad credits and all indicators are above the average for Europe.

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Croatia officially joined the Eurozone and the Schengen Area on 1 January 2023.

Croatia's inclusion in the Schengen Area has eliminated border controls with Slovenia and Hungary. Therefore, Croatia's geopolitical position and investor appeal are expected to boost tourism and business.

Experts tend to argue that a euro transition will increase Croatia's economy's efficiency, competitiveness, and resilience in the face of global disturbances. That said, all sectors should benefit from the euro changeover. The use of a common currency is expected to contribute to the strengthening of international exchange and attract foreign investments, which will strengthen competitiveness and hopefully reduce the vulnerability of the domestic economy.

According to the Croatian Banking Association, economic growth in 2022 exceeded expectations with growth of 5.9%, while GDP in 2023 is expected to subdue growth to 1.3%.

Most economists agree that the EU economy is on the verge of a recession, although a recession is not yet the main scenario. Even if it happens in the EU, they agree that the Croatian economy has a high degree of resilience. Through the use of EU funds and entry into the euro area with growing ratings and a reduced risk premium, Croatia is more likely to avoid a recession during the forecast period.

Inflationary pressures in services, processed food and non-energy industrial goods are the main factors behind higher inflation rates. In 2023, base effects and a steeper decline in energy and food prices than previously expected are set to lower inflation to 6.5%, bringing it closer to the euro area average (5.6%). In 2024, the negative contribution of energy prices, as well as stabilization of food and services prices, is forecast to bring inflation down to 1.6%.



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Over 2023-2025, growth in Montenegro is projected to average 3.1%, as private consumption growth slows, whereas investment is expected to provide marginally positive contributions to growth. Tourism is likely to continue recovering in 2023 to reach its 2019 level, although deteriorating growth prospects in the EU and the region may have an adverse effect on both tourism and wider growth prospects. Inflation in Montenegro is projected to decelerate to 7.9% in 2023 and further to 4% in 2024.

A new political era is now in store for Montenegro following the 2023 presidential election and Jakov Milatović's win. The challenges ahead are sizeable, and they are clearly not just limited to the country's regional and international positioning.

The new president is stepping in at a moment of complex domestic dynamics, where he will be expected to mend a polarised society while attempting to preserve the cross-party legitimacy that brought him to power.

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.



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The energy crisis and the war in Ukraine brought new challenges to North Macedonia.

Inflation (particularly the price of food and energy) is raising the cost of living, disproportionately hurting the poor. The medium-term outlook remains positive, but downside risks are elevated. Prolonged supply chain disruptions, rising inflationary and minimum wage pressures, weak political stability, and the energy crisis continue to weigh on the outlook. Delayed EU accession negotiations may weaken the reform efforts that are needed to boost potential growth and consolidate public finances.

In the medium term, the country needs to set public finances back on a sustainable path and shift its focus to resolving structural challenges, including low human capital, weak competition policy, and the fragile rule of law.



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Government of the Republic of Serbia adopted the most important strategic document in the economic dialogue with the European Commission and the member states of the EU – Economic Reform Programme for 2023-2025. It provides an overview of macroeconomic, fiscal, and monetary policy. Three key challenges have been identified: increasing employment, (especially of the young, women and vulnerable groups), creating a more favourable business environment for investments, and greening the power sector and full energy market opening.

Inflation has peaked Q1 2023, and since April it has been on a declining path.

GDP growth projection for 2023 unchanged in the range of 2% to 3% with a more favorable structure. Growth is led by private consumption fixed investment and net export. In the coming years Serbia will maintain a strong, sustainable and broad-based growth.

Serbia's economy is expected to expand by 2.3% in 2023, according to the World Bank. The World Bank endorsed a new five-year Country Partnership Framework for Serbia for the period 2022-2026. The strategy aims to support the country in strengthening its institutions to achieve a robust post pandemic recovery, accelerating economic growth that is fiscally and environmentally sustainable, and promoting inclusive service delivery.



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In Slovenia, the economic outlook strengthened at the beginning of this year, mainly due to the continuation of domestic spending and record employment.

Inflation dropped to a still high 9.4% in February, mainly due to cheaper energy sources. Higher food prices, particularly increases in the price of some basic food items, were the main contributors to inflation this time.

Economic growth will be much lower this year than last year. Estimates so far point to GDP growth of 1.8% this year. GDP growth in the last quarter of last year is also encouraging, as it slightly exceeded expectations, reflecting the resilience of the economies and the effects of the agreements and measures taken to mitigate the energy crisis.

Unemployment remains at record lows and the supply of available workers in the domestic market continues to decline. Companies thus intensively employ foreign workers.

Given the shortage of domestic labour force, and the expected further fall in unemployment and the rise of the minimum wage and high inflation, there are also strong wage pressures. According to some data, 2/3 of Slovenian companies are planning to increase wages in the first half of this year.

By Industry

POTENTIAL DEALS



VEKTRA MONTENEGRO PROPERTY FOR SALE

Market/jurisdiction: Montenegro

Sector: Agriculture

Deal Category: Tender

Deal value: EUR 23.8 million

The bankruptcy administrator of the company Vektra Montenegro from Podgorica has announced the sale of part of its property, which includes land, office buildings in the economy, forests and pastures, and office space.

The object of sale through the collection of written offers is a listed property divided into five units, located in Podgorica, Pljevlja, Novi Bar, Jugovo, Budva and Donja Gorica.

The total estimated value of the property, which is also the lowest selling value, is EUR 23.77 million.

ANIMAL FEED FACTORY AND LAND OF THE COMPANY AGRO-MIL FOR SALE

Market/jurisdiction: Serbia

Sector: Agriculture

Deal Category: Tender

Deal value: EUR 1.6 million

The animal feed factory and the land of the Agro-Mil Pojata company for production, trade and services are advertised for sale. The initial price of the advertised property is EUR 1.6 million.

The public tender will be held on 29 May 2023.

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.

PUBLIC TENDER

Market/jurisdiction: North Macedonia

Sector: Construction – Energy

Deal Category: Public Procurement

Deal value: The estimated total value EUR 2.4 million

NOMAGAS JSC Skopje – published a contract notice in an open procurement procedure for supervision services and support management services. The selected bidder will have to fulfill all duties of the Engineer in accordance with the FIDIC Conditions of Contract for Construction ("Red Book" – First Edition, 1999). The supervision services will be conducted over the construction of the bidirectional gas interconnector Negotino – Evzoni on the territory of North Macedonia.

MEDICAL CANNABIS

Market/jurisdiction: North Macedonia

Sector: Pharmacy

Deal Category: M&A

Deal value: EUR 5 to 20 million

There are multiple opportunities for potential investors in the medical cannabis industry in North Macedonia.

The industry has been booming in the last 5 years and there are many investment opportunities.

We have data about deals ranging from EUR 5 to 20 million.

SALE OF PEVEX

Market/jurisdiction: Croatia

Sector: Retail

Deal Category: M&A

Deal value: EUR 500 mil

Pevex is a leading Croatian do-it-yourself retailer.

The company has 27 retail stores and 2200 employees. Pevex has a 22% market share on the domestic "diy" market. Pevex generated EUR 386 million in revenue last year, with EUR 63 million in EBITDA and EUR 35 million in net profit. The company's growth potential can be seen through the expansion of new retail centers, the strengthening of online sales channels and private brands, as well as the expansion of the assortment and international expansion.

The sell side mandate is being handled by KPMG.

Rumours are that Bauhaus is interested in acquiring a majority stake and is currently advised by Hogan Lovells.

An Information Memorandum is currently being drafted.

PHARMACEUTICAL COMPANY LEK PLANS AN INVESTMENT IN SLOVENIA

Market/jurisdiction: Slovenia

Sector: Pharmacy

Deal Category: Investment

Deal value: EUR 400 million

Pharmaceutical company Lek, a member of the Sandoz Group, signed a Memorandum of Understanding with the Slovenian Government for a planned investment in a high-tech centre for the production of biosimilars in Lendava, Slovenia. This is one of the largest foreign direct investments in the history of Slovenia. Lek d.d. is expected to start construction this year, while full operation of the production centre is planned for the end of 2026.

INFRASTRUCTURE

CONCESSION FOR THE RECONSTRUCTION OF "ELBASAN – QAFË THANË" – "B" CLASS ROAD

Market/jurisdiction: Albania

Sector: Infrastructure – Roads

Deal Category: Project

Deal value: Approx. EUR 18 million +18.4 million

The Albanian Road Authority granted to the company ALB – BUILDING Sh.P.K. the tender for the widening of Elbasan - Qafë Thanë road („First Phase”), whilst to the company „INVICTUS” Sh.P.K granted the tender for the supervision of construction works for the same road.

The road “Elbasan – Qafë Thanë” is a B Category Road, having as itinerary Durrës – Elbasan – Librazhd – Qafë Thanë. The road continues further on toward North Macedonia and Bulgaria, and is one of the most important roads in Albania and a part of The Pan-European Transport Corridor VIII.

The winning bidders shall have the obligation to finalize the work within 18 months and provide financing for the implementation of the Project.

The investor, “ALB-BUILDING Shpk” is expected to divide the construction of the road into two phases, in order for the development of the road to be more flexible both from economic and administrative aspects.

EBRD HIRES A CONSULTING FIRM FOR THE DEVELOPMENT OF THE SERBIAN RAILWAYS INFRASTRUCTURE

Market/jurisdiction: Serbia

Sector: Infrastructure - Railway

Deal Category: Project

Deal value: EUR 400,000

EBRD plans to hire a consulting firm to implement an 18-month technical support project aimed at improving the commercial and operational development of the company Serbian Railways Infrastructure. The total procurement budget is up to EUR 400,000. In addition, the EBRD provides a loan to the Republic of Serbia in favour of the Serbian Railways Infrastructure. It will finance the rehabilitation and extension of the infrastructure of railroad corridor 10, specifically the Belgrade-Niš railway line, in order to increase the speed on this section to 200 km/h, while improving the quality of passenger transport services and transportation of goods.

The project also includes technical support in order to improve operations and strengthen the capacity of the Serbian Railways Infrastructure.

The call is open until 12 June 2023.

PUBLIC PROCUREMENT FOR THE REHABILITATION OF THE BELGRADE ASTRONOMICAL OBSERVATORY

Market/jurisdiction: Serbia
Sector: Infrastructure – Astronomical Observatory
Deal Category: Project
Deal value: n/a

The Belgrade Astronomical Observatory has announced a public procurement for the rehabilitation and restoration of the Astrogeodetic Pavilion within the complex.

The Astronomical Observatory complex on Zvezdara was formed from 1930 to 1932, and during that time it represented the most complex architectural and urban solution realized in Belgrade until then. It was expanded in 1958 with the construction of new pavilions.

Since 2001, the observatory complex has been declared a cultural monument by the decision of the Government of Serbia.

The project envisages restoration of facades and renovation of the roof.

The deadline for submitting bids is 12 June 2023.

PRESENTED THE PROJECT ON PORTO-ROMANO PORT

Market/jurisdiction: Albania
Sector: Infrastructure – Ports
Deal Category: Project
Deal value: Approx. EUR 390 million (VAT excluded)

The Dutch company Royal Haskoning DHV, who prepared the feasibility study on Porto-Romano Port presented the project on the development of this Port. The first phase of this project is expected to be launched by the Albanian Port Authority (Durrës) during 2023, and construction works are expected to be completed by the year 2025, whilst the entire project will be finished by the year 2050.

The Porto–Romano Port shall require considerable financing for its completion, the first phase of which is estimated to cost Euro 390 million. At least 46% of the financing shall be provided by the Albanian government, whilst 54% it's expected to be financed by the private sector. The modality is yet to be clarified.

This first phase will include the construction of containers terminal, the interconnection with the road infrastructure, the sewage water and energy canals, joint buildings, the customs' premisses, and other agencies premisses, the harbor master's offices, the Vessel Traffic Service control tower, etc.

PUBLIC CALL FOR ADDITIONAL WORKS AND EQUIPPING THE SCIENCE AND TECHNOLOGY PARK IN PODGORICA

Market/jurisdiction: Montenegro
Sector: Infrastructure – Technology Park
Deal Category: Project
Deal value: Approx. EUR 1.7 million

The Directorate for Capital Projects has announced a public call for additional works and equipment for the Science and Technology Park in Podgorica.

The value of the works is about EUR 1.7 million.

Offers must be submitted by 5 June 2023 at 10 am. The deadline for the execution of the contract is 90 days from the introduction of the contractor to the job.

PRESENTED THE NON-TECHNICAL PROJECT ON VORA-HANI I HOTIT RAILWAY

Market/jurisdiction: Albania
Sector: Infrastructure – Railway
Deal Category: Project
Deal value: Approximately EUR 62.9 million

The rehabilitation of Vora-Hani i Hotit rail line of 120 km is one of the main parts of the Western Balkans Network and carries important significance in the overall layout of the region Transeuropean Transport Networks.

The project's objectives include the design of a railway infrastructure that complies with European Rail Traffic Management System with respect to railway security, ensuring the velocity of trains between 100 km/hour to 120 km/hour; provision of a proper environment for the development of rail passengers and goods transport services; development of a multimodal and intermodal transport in Albania and on larger scale.

The entire project for the rehabilitation of railway shall be co-financed by the European Investments Bank and the EU through the Western Balkans Investments Financing. The total cost of the project is expected to be approximately Euro 267 million.

The winner of the loan for this part of the project of Euro 62.9 million, as announced by the European Bank for Reconstruction and Development (EBRD) shall be the state owned company "Hekurudha Shqiptare" Sh.A.

CONSTRUCTION OF TUNNEL PRENJ

Market/jurisdiction: Bosnia & Herzegovina

Sector: Infrastructure – Highway

Deal Category: Investment/Construction

Deal value: Approx. EUR 400 million

Tunnel Prenj will be built as part of the European route E73 (also known as Corridor 5C). Tunnel Prenj will be 9th longest tunnel in Europe, with the length of almost 11 kilometers. It is planned work to be completed until 2028.

MARINA CRIKVENICA

Market/jurisdiction: Croatia

Sector: Infrastructure

Deal Category: Project

Deal value: EUR 12 million

The city of Crikvenica plans to develop a nautical port - marina and related facilities in the city center, with the possibility of further expansion, i.e., construction of related facilities next to the port. The project includes up to 200 berths with 5 anchors for ships up to 20 meters. The total size of the maritime domain (land and sea) designated for the concession is 9,6 ha. The selected investor will have the option of expanding the project with the approval of the City, as it is the owner of the land plot.

The concessioner for this project will be selected through a public tender. The construction and the economic use of the nautical port and maritime domain will be in concession for 30 years, running from the day of concluding the concession agreement. Under the conditions stipulated by the Act on Investment Promotion (OG 63/22) this project may qualify for investment incentives.

The public tender will be announced by the Ministry of the Sea, Transport and Infrastructure after receiving the Letter of Intent.

ENHANCED AIR CONNECTIVITY OF SLOVENIA

Market/jurisdiction: Slovenia

Sector: Aviation

Deal Category: Project

Deal value: EUR 5,6 million per year

The purpose of the call for tenders is to improve Slovenia's air connectivity, with the aim of promoting the establishment of new direct scheduled air routes from and to Slovenia.

The Subject of the call for tenders is the granting of state aid to air carriers for the start-up of operation of new air routes, for the carriage of passengers to or from a public airport in the territory of the Republic of Slovenia at which international air transport is performed, to a single landing point in the territory of the countries of the European Common Aviation Area (ECAA).

The application for aid must be submitted in Slovene language. The submission deadline is 4 May 2023.

SPORTS CENTRE VIŠNJK

Market/jurisdiction: Croatia

Sector: Infrastructure

Deal Category: Investments

Deal value: EUR 100 million

The project is located in Zadar, northern Dalmatia (Zadar County). The project includes the construction of accommodation and additional sports facilities at the existing sports centre Višnjik extending over 202.000 m², aimed at further developing sports tourism in Zadar. The project entails the construction of several new facilities: a 4-star sports hotel with 120 rooms (gross area of 16.560 m²), an outdoor swimming pool complex with an olympic-size pool, recreational pools, a diving pool with a diving tower and a children's pool, and an aqua park next to the swimming pool complex.

The management company Sportski centar Višnjik d.o.o. (Ltd.), owned by the City of Zadar, is looking for a strategic partner for project development. Under the conditions stipulated by the Act on Investment Promotion (OG 63/22) this project may qualify for investment incentives.

CONSTRUCTION A2 EXPRESSWAY SECTION KRIVA PALANKA - DALABOCHI - STRACIN (CHATAL)

Market/jurisdiction: North Macedonia
Sector: Transport infrastructure – Expressway
Deal Category: Privatization/PPP
Deal value: n/a

The expressway is with length of 30km. It is expected that the public tender will be announced in the first half of 2023.

EUROPEAN INTEGRATED BORDER MANAGEMENT

Market/jurisdiction: Bulgaria
Sector: Security/Infrastructure
Deal Category: Project
Deal value: EUR 92 million

The procedure is focused on the development and maintenance of the national components of large-scale (EES, NSIS), the maintenance of the Integrated Surveillance Systems and the EU external border control systems, delivery and maintenance of land, maritime and technical means for border control.

The objective of this grant award procedure is to ensure a stable and effective European integrated management of external borders and to ensure a high level of internal security within the EU by ensuring the continuity of the maintenance processes of the Integrated Surveillance Systems, the external border control systems, the NIS and the necessary operational and technical equipment for border control.

With a view to fulfilling Bulgaria's obligations

under EU legislation, the establishment of national components of the external border EES is foreseen. The upgrading of the existing technical capacities for border control through the acquisition of new technical means and the renewal of the existing operational equipment is also envisaged.

PUBLIC SUPPORT FOR THE DEVELOPMENT OF INDUSTRIAL DISTRICTS, PARKS AND SIMILAR AREAS AND FOR ATTRACTING INVESTMENT ('ATTRACTINVESTBG')

Market/jurisdiction: Bulgaria
Sector: Investments
Deal Category: Project
Deal value: Total of EUR 106 million

The funds will be used for complete or partial construction of infrastructure in industrial zones and parks. The infrastructure can be technical (feeder and internal), environmental (solar charging stations for electric vehicles) and innovative (research). Funding is available under the European Union's Recovery and Resilience Fund.

NATURAL RESOURCES & ENERGY

DESIGN, CONSTRUCTION, AND MANAGEMENT OF PHOTOVOLTAICS IN TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONES

Market/jurisdiction: North Macedonia
Sector: Energy
Deal Category: PPP
Deal value: n/a

The Directorate for Technological Industrial Development Zones of North Macedonia adopted a decision to initiate a procedure for awarding a public-private partnership contract ("PPP Contract") for the design, construction, financing, management, and transfer of photovoltaic power plants in several technological industrial development zones ("TIDZ") in North Macedonia.

60.60 hectares of land in total, will be given to the selected private partner and the private partner will also be able to conclude contracts with investors who are users of a TIDZ for installing photovoltaics on the roofs of factories.

Contract Duration: **25 years.**

TENDER FOR THE DEVELOPMENT OF A SPATIAL PLAN FOR THE BEOGRID 2025 PROJECT

Market/jurisdiction: Serbia
Sector: Energy
Deal Category: Project
Deal value: EUR 250,000

The Ministry of Construction, Transport and Infrastructure has announced a tender for the services of creating a spatial plan of a special purpose area for the BeoGrid 2025 project, and the value of the procurement is estimated at RSD 30 million.

The BeoGrid 2025 project should connect the southern Banat region with the electricity consumers in Belgrade and Srem.

The deadline for submitting bids or applying for the tender is 20 June 2023.

SUPPORT OF THE TRANSITION TO A CIRCULAR ECONOMY IN ENTERPRISES

Market/jurisdiction: Bulgaria
Sector: Investments
Deal Category: Project
Deal value: Total EUR 90 million

The aim of the procedure is to contribute to accelerating the transition towards a circular economy by providing grants to enterprises in the productive sector to introduce circular resource use patterns and climate-neutral production and consumption methods and technologies.

AUCTION OF PHOTOVOLTAIC (PV) PLANTS FOR UP TO 1 GW

Market/jurisdiction: Albania
Sector: Energy
Deal Category: Project
Deal value: n/a

The Albanian Ministry of Infrastructure and Energy (MIE) has announced its intention to launch auction procedures for the award of PV projects for up to 1 GW of installed capacity, through at least 3 separate Competitive Procedures.

The projects will be awarded in relation to sites independently selected and secured by the bidders. MIE will publish areas unsuitable / non-eligible for developing new wind projects defined as "constraints" or "no go areas".

The first of this series of auctions will be for 300 MW installed capacity, and is expected to be launched by June 2023, with a deadline for the proposals during October 2023.

Apart from the qualification based on technical and financial capabilities of bidders, the key criteria for the award is the lowest price offered for the sale of energy.

TENDERS FOR SIX EXPLORATION GEOTHERMAL BLOCKS

Market/jurisdiction: Croatia

Sector: Energy

Deal Category: Project

Deal value: n/a

The Croatian Hydrocarbon Agency, in cooperation with the Ministry of Economy and Sustainable Development, published tenders for the exploration of geothermal waters in six exploration blocks. It is a geographical area of the Drava Basin with significant geothermal potential. Therefore, investors are offered exploration areas in four Croatian Counties (Međimurje County, Koprivnica-Križevci County, Virovitica-Podravina County, Osijek-Baranja County) covering over 200 km².

A significant reduction of risk and costs for future investors has been achieved by identifying potential exploration areas in prior wells created for the purpose of exploration and exploitation of oil and gas. All locations have sufficient temperatures to produce electricity, while the total production potential of all locations is about 600,000.00 MWh.

Bids for all tenders must be submitted no later than 1 June 2023.

STRATEGIC PARTNER FOR CONSTRUCTION OF PUBLIC SOLAR POWER PLANTS OF LARGE CAPACITY- AT LEAST FIVE FACILITIES PLANNED

Market/jurisdiction: Serbia

Sector: Energy

Deal Category: Project

Deal value: n/a

The Government of Serbia has adopted the decision which defines the procedure of the selection of the strategic partner for the realization of the project of the construction of self-balancing solar power plants of a large capacity with battery systems for the storage of electrical energy in Serbia. This turnkey project will be developed, built, and handed over to the ownership of EPS.

The solar power plants will have a total installed power of 1,000 MWac (that is 1,200 MWdc). In order to ensure the optimal evenness of the production of electrical energy, the total installed power needs to be distributed among five or more independent solar power plants.

All the produced electrical energy of the solar power plants and the services realized through battery systems will be integrated in the operating plans of EPS.

The deadline for the realization of the project is four to five years, and the decision says that the period for which the agreement is signed is six to seven years.

BIOMASS COGENERATION PLANT, VOJNIĆ

Market/jurisdiction: Croatia

Sector: Energy

Deal Category: Project

Deal value: EUR 7.4 million

The municipality of Vojnić owns a land plot with an area of 25.371 m² that is intended to be used for the production of electricity and heat using wood waste and pellets.

The project involves the construction of a 1000 kW biomass cogeneration plant (maximum dimensions of 42.45 x 24.70 m) along with a biomass canopy, a pellet production plant, wheel scales and reception (total net and gross area of all the facilities involved in the project are: net: 647.45 m²; gross: 1.276,26 m²). Based on the estimates from the main project, 7.200 MWh of electricity and 16.800 MWh of heat will be produced from renewable sources.

The building permit for the project has already been obtained (valid from April 2019). The Municipality of Vojnić offers various options for the execution of the project including sale, establishing building right or lease of land within the scope of the project.

SIGNED AGREEMENT ON THE MUTUAL COOPERATION BETWEEN THE ALBANIAN COMPANY ALBGAZ SH.A. AND THE SPANISH COMPANY ENAGAZ S.A.

Market/jurisdiction: Albania

Sector: Energy – Natural Gas

Deal Category: Mutual Cooperation Agreement

Deal value: n/a

Signed Agreement on the Mutual Cooperation between the Albanian company Albgaz Sh.A. and the Spanish company ENAGAZ S.A.

In October 2022, a Mutual Cooperation Agreement was signed between the Albanian gaz company "Albgaz" Sh.A. and ENAGAZ S.A., a spanish energy and European transmission system operator. This agreement opens the way for the future cooperation and the potential ENAGAZ participation at Albgaz Sh.A. company capital, as well as the potential involvement of this spanish company at various strategic projects in the Albanian natural gas sector, such as a potential future involvement at IAP project, Vlora LNG Terminal, Dumrea underground storage project and the Small Scale Distribution Project.

This cooperation between ENAGAZ and Albgaz Sh.A., is considered to present an added value for the potential future cooperation and the management of major gaz projects.

CONSTRUCTION OF THE SOLAR POWER PLANT IN BANOVIĆI

Market/jurisdiction: Bosnia & Herzegovina
Sector: Energy
Deal Category: Project
Deal value: Approx. EUR 7 million

Elektroprivreda BiH is going to build new solar power plant in the country. Overall strength will be around 8,8 MW. This solar power plant will be built on 100.000 square meters of space.

CONSTRUCTION OF SOLAR POWER PLANT ZUBAC NEAR TREBINJE

Market/jurisdiction: Bosnia & Herzegovina
Sector: Energy
Deal Category: Project
Deal value: EUR 45 million

Elektroprivreda Republike Srpske plans to build new solar power plant Zubac with projected overall strength to be around 53,5 MW and production around 85 GWh. Planned deadline for the construction is 2 years.

CONSTRUCTION OF PHOTOVOLTAIC POWER PLANT GRAČANICA 1 I 2

Market/jurisdiction: Bosnia & Herzegovina
Sector: Energy
Deal Category: Project
Deal value: EUR 30 million

Gračanica 1 and 2 will be constructed near town of Bugojno. After the construction is finished, these power plants will be two of the biggest solar power plants in our country.

Elektroprivreda BiH started this project with one main objective in mind: transition from coal based production of electric energy to renewable energy sources. With estimated annual production of around 35 GWh, Gračanica 1 I 2 are significant step in achieving that objective.

FOR CLEANER AIR

Market/jurisdiction: Bulgaria
Sector: Environment
Deal Category: Project
Deal value: EUR 310 million

The aim of the procedure is to contribute to the improvement of ambient air quality (AAQ) by reducing the excessive levels of PM10 on the territory of municipalities with poor air quality according to this index in the period 2017-2021.

CONSTRUCTION OF RENEWABLE ENERGY INSTALLATIONS AND BATTERIES FOR LOCAL ENERGY STORAGE

Market/jurisdiction: Bulgaria

Sector: Renewables

Deal Category: Project

Deal value: Total of EUR 100 million

The measure targets micro, small, medium-sized companies and companies with up to 3000 employees from different economic sectors.

The co-financing is up to 50% under the Recovery Plan, and the interest of companies in the measure is expected to be extremely high, as it became clear during the tour of the country by Minister Alexander Pulev with the mobile reception of the MIR and the meetings he held with local businesses and local authorities in all districts.

With the funds provided by the IDP under the NREAP, up to 1 MW of capacity and electricity storage facilities can be built. The photovoltaic system with battery must be constructed on a building or property wholly owned by the applicant. The electricity from these systems will only be usable within the specific production and cannot be sold. The investment will help companies reduce their costs and become less dependent on the free electricity market. The measure targets only solar photovoltaic energy and has as a mandatory element the acquisition of technology and storage facilities in the form of batteries, which contributes to the balance in the power produced.

LEISURE

CONSTRUCTION OF THE NEW 110-METERS TALL HOTEL PALACE

Market/jurisdiction: Bosnia and Herzegovina
Sector: Tourism
Deal Category: Construction
Deal value: Approx. EUR 35 million

In the centre of the biggest city in Republic of Srpska, Banja Luka, brand new hotel will be built. Project was started at the end of the last year with the demolition of the old part of the hotel. Upon the completion, hotel will employ around 500 people.

FITNESS CENTRE AND RESTAURANT PREMISES FOR SALE

Market/jurisdiction: Slovenia
Sector: Recreation
Deal Category: Investments
Deal value: EUR 1.444.400,00

A public auction of business premises in Ljubljana, measuring 1,055.60 m², has been announced. The subject of the auction is the fitness center and restaurant, and they also include related fitness equipment and furniture.

VILA OPERETTA FOR SALE

Market/jurisdiction: Slovenia / Croatia
Sector: Tourism/ Real estate
Deal Category: Investments
Deal value: EUR 5.950.000,00

Slovenian SDH is selling a monument-protected villa in the center of the seaside resort of Opatija, only about a 5-minute walk from the coast. The building has 6 floors, the basement and ground floor are currently intended for commercial use (1,347 m²), the other floors are residential (1,026 m²). Due to its visibility, recognition and exclusive location, Villa Operetta represents an excellent investment for the tourist and hospitality market.

SELA lawyer spotlight

FEATURING
ILIYA GROZDANOV



Iliya leads the energy and environmental practice of DRP. He has more than 15 years of experience advising major international investors in renewable energy, trading, and all regulatory issues. Iliya is recognized as one of the top experts on energy issues in Bulgaria.

Alongside advising clients, he has been teaching ACCA courses to young auditors for BPP Professional training in SEE for 10 years.

Iliya finds inspiration in helping clients solve complex problems, but apart from sailing and fishing, loves travelling around the world. His advice to travelers is to always go prepared, study the local customs and know how to get to where you want to go.



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