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## **RUSSIA INVESTORS LOSE MONEY IN BOSNIA**

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Over the last two years, Russian investors have recorded losses of 52 million of euros, mostly connected with the oil industry in Republika Srpska, Bosnia's Serb-dominated entity, data from Bosnia's Foreign Investment Promotion Agency show.

Bosnia's Russian-owned oil refinery in Brod, in northern Bosnia, has accumulated total losses of 300 million euros, with 7.5 million euros lost in 2017, the latest auditor's report from Republika Srpska, published on March 12, says.

When it was privatized in 2007, when the new majority owner became the Russian company Neftegazinkor, a subsidiary of Zarubezhneft, a wholly state-owned Russian company, it was presented as an economic lifesaver in Republika Srpska.

This is serious situation, and with the losses that are recorded so far there is a question what will happen next, and whether this will affect Russia's total investments here, Aleksandar Stojanovic, a professor of economy from East Sarajevo, told BIRN.

Optima Group in Bosnia's oil refinery at Modrica is facing losses as well. Some other projects, supported from Russia, have been stopped.

Petar Ivanov, Russian ambassador to Bosnia, seems unworried. He recently told the Bosnian media that Russian companies had pumped at least 250 million of euros into the various budgets of Bosnia.

Milorad Dodik, the ardently Pro-Russian president of Republika Srpska, also likes to point out the benefits of Russian investment – without mentioning any of the problems.

Stojanovic notes that Russian investment in Bosnia is not guided solely by economics in any case.

Russia generally has no economic interest in Bosnia, given that the whole population of Bosnia is barely equal to one-third of the population of its [Russia's] capital – but it has a very strong political interest here in Bosnia and it uses business to achieve its political goals," Stojanovic said.

In the meantime, he added, nothing appears to be happening with the long awaited thermal plant at Ugljevik, promoted by Russian billionaire Rashid Sardarov's Comsar Energy and planned to be constructed by the China Power Engineering and Consulting Group Corporation, CPECC, "and it is hard to predict whether they will ever start working on that project".

Last June it was reported that Comsar was still seeking a partner company to build the plant.

Ugljevik 3 plant was supposed to be built in 2017.

It has yet to happen, however, although the authorities in Republika Srpska announced this project as one of the major investments in this entity. The investment was supposed to be worth more than 600 million euros.

Stojanovic attributed the delays to the fact that investors need high quality plans and a stable environment – both of which are in doubt in politically unstable Bosnia.

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