

Xinhua (2015). "Interview: Argentina's Chinese-built dams to pay for themselves: minister". Xinhua. October 7.

BUENOS AIRES, Oct. 6 (Xinhua) -- Two dams being jointly constructed by Argentina and China in South America's Patagonian region will pay for themselves through energy output, the country's Minister of Planning Julio De Vido has said.

The multi-billion-dollar investment "will be repaid by selling energy produced from the dams. That's why no modifications were needed to the (state) budget," the minister said in a recent interview with Xinhua.

"Without a doubt, the dams will change ... Argentina's energy equation by providing Patagonia with more development and more sovereignty," he said.

The projects, valued at 4.714 billion U.S. dollars, "are being completely financed with credit from Chinese banks," said De Vido, adding Argentina secured "unprecedented funding" from China, and "under very favorable conditions, in terms of both cost and the strong participation of national companies."

A Chinese-Argentinian consortium comprising China's Gezhouba Group, Electroingenieria and Hydrocuyo won the bid against four other proposals tendered by more than 20 national and foreign companies.

"The winning offer was the most convenient and 17 percent cheaper than the second-placed offer," said De Vido.

"The cost, net of tax, for each megawatt generated by the dams at Santa Cruz River is 2.24 million U.S. dollars, by far the most competitive in tendered projects of a similar magnitude in the world over the past 10 years," said De Vido.

By contrast, the Chaglla hydroelectric power plant in Peru has a cost of 2.97 million U.S. dollars per megawatt generated, he said.

Currently, the first construction camp has been set up with over 700 workers carrying out all the preparatory tasks, including receiving shipments of equipment, such as drills, bulldozers and other heavy machinery "that will help the construction phase to move forward, said the minister.

The dams, named after former President Nestor Kirchner and former Governor Jorge Cepernic, will provide 4 percent of the South American country's annual energy needs, estimated at around 5,000 GWh, and provide energy to over 1.5 million homes.

Harnessing the power of the region's large Santa Cruz River, the Kirchner hydroelectric station will produce 1140 MW, while the Cepernic dam will produce 600 MW.

When construction is at its peak, the projects will generate 6,000 direct jobs and 10,000 indirect jobs, the minister said. Enditem