

Bosnia/Republika Srpska: Market value of power utility ERS drop due to depts and low performance

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Based on the shares value in 2007, mine and Thermal Power Plant Gacko was KM 927 million worth, while its current value amounts to KM 9.8 million. The same is for mine and TPP Ugljevik, which is now worth KM 9.9 million, and nine years earlier it was even KM 688.8 million worth, wrote Blic.

According to the data of Banja Luka Stock Exchange the value of these companies' shares is at the historically lowest level. Experts claim that losses of these companies definitely have an impact on this terrible drop of share prices. According to financial statements from previous year, mine and TPP Gacko operated with the loss of KM 21.6 million, and mine and TPP Ugljevik with KM 18.2 million.

- Mine and TPP "Gacko" faced floods, technology is outdated and there were no investments for a long time. In mine and TPP "Ugljevik" the situation is not clear due to claims from Slovenia and non-transparent cooperation with the Russians regarding project "Ugljevik 3". All who have shares in those companies do not see perspective and do not trust that Elektroprivreda RS could function well- said Zoran Pavlović, economic analyst.

Companies that operate within Elektroprivreda became social institutions with enormous number of employees.

- The biggest problem is that each sees the possibility to acquire personal benefit, to take something away from the company, and not to create something. Managers are people who have skills to be politicians and not experts. If state companies are assessed as something where private benefit is achieved, and not social benefit, than it is highly unlikely that the company can be recovered. Only competent people that are independent and have their vision could make progress- stated Pavlović, transmits Serbia-energy.eu