

## **Greece: PPC's financial situation could worsen due to coronavirus crisis**

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**Date :** April 8, 2020

As a result of coronavirus outbreak, financial situation could now worsen for Greek state-controlled Public Power Corporation (PPC). PPC was on the way to recover from the financial crisis which resulted in a deficit of almost one billion euros in mid-2019.

PPC is in danger of increasing its deficit again and access to state guarantees worth hundreds of millions of euros would likely be needed in order to avoid such scenario. Greek Government has already announced blanket measures worth one billion euros for the entire energy sector, however, did not provide any details how the support will be distributed.

According to PPC's estimations, electricity bills collection rate will plummet again, as it did few years ago during the debt crisis which prompted severe austerity measures by the Government. This time collection rate could fall to between 25 and 30 %, which would be a substantial blow for the company's cash flow.

Such a reduction over a three-month period, assuming the lockdown lasts this long, would deprive local electricity suppliers of revenue worth approximately 650 million euros. As the market leader with a retail electricity market share of 70 %, the cost for PPC would be between 350 and 400 million euros.