

# Greece: Public Power Corporation seeking a loan from EBRD

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In an effort to cover unexpected costs caused by the coronavirus crisis and the following recession, Greek state-controlled Public Power Corporation (PPC) is considering seeking a loan from the European Bank for Reconstruction and Development (EBRD) of between 100 and 200 million euros.

Financial support from the EBRD, which has provided loans to PPC in the past, would boost the company's cash flow and also provide a safety net for its electricity distribution subsidiary DEDDIE. PPC expects that the distribution operator's revenues, resulting from surcharges included in electricity bills, will drop by approximately 30 %. Plus, an increasing number of consumers are not meeting payment deadlines for electricity bills.

PPC was on the way to recover from the financial crisis which resulted in a deficit of almost one billion euros in mid-2019, but its financial situation could now worsen as a result of coronavirus outbreak. The company 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.