

With this acquisition Czech company gets the market share of 3% of Hungarian electricity market and majority of capital Budapest heat market share.

Daughter company EP Energy has sealed a deal with the Hungarian unit of EDF to buy majority 95.6 percent stake in the company owning three Hungarian heat and power plants. The plants, grouped together under the company Budapest Eromu Zrt, have a combined electricity production capacity of 406 MW and heat production capacity of 1182 MW. Together, the plants at Kelenföld, Újpest, and Kispest furnish around 60 percent of Budapest's heat demand and around 3% of Hungary's electricity needs. They switched to natural gas away from coal and oil in the 1960s and 1970s.

Although EPH owns stakes in 40 companies in the Czech Republic, Slovakia, Germany, Italy, Britain, and Poland and is the biggest heat and power company in the Czech Republic, Hungary has hitherto been something of a backwater for it.

The Hungarian market has recently been a turnoff for major power companies as the government of Viktor Orban has sought to squeeze their profits through dubious regulatory moves and special taxes and reverse the widespread utility privatisations that took place in the last 20 years. German energy company RWE notably sold up its near half share in Budapest's gas distribution company. State electricity producer MVM has pushed to boost its national profile and buy out minority shareholders where appropriate.

The latest deal still needs to be cleared by Hungary's competition authority and the French Ministry of Economy. , transmits Serbia-energy.eu