

## Montenegro: Debt settlement of EPCG (Electric Power Industry of Montenegro) agreed

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Agreement on how to settle tax debt of Electric Power Industry has been reached, which will be debated in Parliament during the present session, announced the news from the Ministry of Finance.

From government department, led by Radoje Zugic, they did not answer exactly what was agreed and what will be the model of collection of the tax debt of over 50 MEUR.

According to unofficial information of regional newspaper Vijesti, member of the Social Democratic Party (SDP) Damir Sehovic will submit an amendment to the government's draft budget for next year on resolving the debt of EPCG.

It is anticipated that the Electric Power Industry returns about 45 MEUR in the way that the state will increase the stake about three percent, and the Italian company A2A will have that much less equity.

State Montenegro has 55 percent of the share of energy company right now, while A2A owns 43.7 percent. Remaining debt of about 7 or probably 8 MEUR would be regulated if unpaid electricity bills of state institutions and agencies are aligned with the part of the tax debt of EPCG, according to variant which is acceptable to members of government SDP and the Democratic Party of Socialists (DPS).

"Most of the debt would be converted into equity at a nominal value of state no later than the end of the first quarter of next year. This is consistent with the requirement of the SDP to increase state ownership in EPCG. Decision of the Board of Directors about it before voting on the proposed budget for next year is implied", announced the ruling coalition.

The nominal share of EPCG is 7.65 EUR and market share 2.2 EUR.

Source; Serbia Energy See desk