

Montenegro: Limited investments at Pljevlja coalmine

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Due to the adverse effects of the coronavirus crisis on the economy, the Pljevlja mining company plans to reduce investments in 2020, said Slavoljub Popadic General Manager of the company.

Coalmine is 100 % owned by power utility EPCG.

Popadic explained that the company proposed three scenarios for 2020 investments, ranging from a minimum of 3 million euros to the initially planned 19 million euros, while the choice of the exact scenario will depend on financial situation in near future.

Pljevlja coalmine plans to produce 1.602 million tons of coal in 2020, of which 1.46 million tons will be delivered to nearby thermal power plant Pljevlja.

Pljevlja coalmine recorded a net profit in the amount of 9.56 million euros in 2019, which is 43.5 % higher compared to 6.65 million euros profit in the previous year. According to the financial report, coalmine's operating income reached 47.17 million euros at the end of December 2019, which is by 9.1 % more than in in 2018. At the same time, operating expenses rose by 3.8 %, reaching 35.88 million euros.

In April 2018, power utility EPCG announced that it has launched a buyout bid for the entire capital (5,064,443 shares) of Pljevlja coalmine. The bid was valid in the period between 20 April and 4 May and EPCG offered to pay 6.4 euros/share of the coalmine. According to the analysis performed by Deloitte, which said that although the price of Pljevlja coalmine shares stood at 6.9 euros at the end of 2017, the fair price is 6.4 euros/share. According to the decision of the Commission for the Capital Market in early June, EPCG became the majority owner of Pljevlja coalmine.