

Montenegro: New round of privatization for Power utility EPCG in 2015, A2A to exit the partnership?

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The Parliamentary Commission for Monitoring and Control of the Privatization Procedure has adopted the work plan for the year 2015, according to which the sale of the Electric Power Industry of Montenegro (EPCG) will be considered.

At the previous session, the members of the Commission could not agree on the plan, because the Member of Parliament from the Democratic Party of Socialists (DPS), Zoran Jelić, suggested that EPCG be transferred from the second to the third quarter, considering that the outcome of the negotiations with the Italian partner A2A, i.e. further cooperation, would be known on 31st March.

Board members have agreed that the EPCG privatization be discussed in the second quarter, but with all necessary documentation.

The fact that A2A would not agree to finance the project "Pljevlja 2" is stated as the main problem because of which the negotiations are not being brought to a close.

As it was announced earlier, the Government of Montenegro will not give up on the construction of the second block of the Thermal Power Plant Pljevlja, because otherwise, the Electric Power Industry (EPCG) would incur huge costs.

The Minister of Economy Vladimir Kavarić has recently stressed that the Government is ready for the third partner, which is also advocated by the Italian company A2A. Although he does not exclude the possibility of the state taking over the management of the Electric Power Industry as of 1st April, Kavarić expects a deal with the Italians.

The Italian company A2A, which currently owns 41.7 percent of shares, took over the management of EPCG in March 2010, and they bought the minority share for around 430 million at the end of 2009.