

Romania: EBRD wants Hidroelectrica to improve corporate management before IPO

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Riccardo Puliti, EBRD executive director for energy and natural resources, said that Hidroelectrica would have to improve its corporate management before emerging on the exchange. The IPO has contributed to the creation of corporate management culture, particularly in the case of the companies Electrica and Romgaz, which have moved forward in this respect, in accordance with the action plans agreed with EBRD. EBRD Director estimates that the public bid for the OPCOM energy exchange is appreciated.

“Even despite this, similarly to Electrica and Romgaz, Hidroelectrica will have to improve corporate management before the IPO. This will provide the comfort for investors that the company is ready to fulfil the criteria for listing”, Puliti added.

In the already listed companies, corporate management has been strengthened, in accordance with the requirements of the capital market in Western Europe.

“However, many more things need to be done at a fast pace. The stability at the level of boards needs to be ensured, including a better salary package, in accordance with the international practice. The next step is sending a new provocative vision to the executive board. This includes the creation of a strong team for professional management, which would implement the board decisions”

Management activities will be directed towards company restructuring, increasing efficiency, profitability and the creation of conditions for sustainable development.

“From this point of view, the management function is of special importance for Romgaz and Electrica. For the former, because it performs business operations in a competitive environment marked by an incessant fight for talents; for the latter, because the new Electrica investors, such as EBRD, want to see that the money gathered through the IPO has been spent in the most efficient and most responsible way by the management team”, said Puliti.

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“EBRD will continue supporting the privatization and the listing of the Romanian energy companies on the Bucharest exchange. We were involved in the privatization of Petrom, and we have recently supported the largest IPO so far – Romgaz and Electrica. By participating in the IPO, we are also supporting the development of the capital market in Romania, and particularly the creation of a financial hub intended for the energy sector. These efforts bring new companies on the market, they increase the liquidity and create new investment opportunities”, said Puliti.



EBRD has so far invested 1.3 billion euros in the energy and natural resources sector in Romania. , transmits serbia-energy.eu