

According to Serbian media, the price of electricity will not be increased by the end of 2019, although the representatives of the International Monetary Fund (IMF) will request an increase for at least an amount of annual inflation - 2 %.

The request will be tabled during the upcoming visit of IMF officials to Serbia, but the calculations made by Serbian Government show that no electricity price hike is needed by the end of the year.

However, what will happen with the price of electricity in 2020 is still unclear. The analysis made by the World Bank shows that the price should be increased, but the Serbian side is unwilling to increase the price during the heating season. IMF mission will insist on an increase of at least 2 %, but the Government is in no obligation to accept the proposal. The Government argue that, even with low energy prices, 5 % of the average household budget goes to energy, which is the highest in Europe.

In early May, Serbian media reported that the IMF will most likely recommend that the price of electricity in Serbia should be increased by up to 5 % this summer, because the World Bank's analysis for 2018 has shown that the price of electricity in Serbia is among the lowest in Europe. However, the Government did not agree to increase the price of electricity.

In August 2017, the Council of the Serbian Energy Agency (AERS) has approved the request submitted by EPS for an increase in the price of electricity for households and small businesses by 2 % on average as of 1 October 2017.