

Serbia: EPS becomes a joint stock company, Energy Ministry plan for energy companies development 2016

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EPS will be a joint stock company at full capacity by the end of this year, in which the principles of corporatization shall be applied, say in the Ministry of Energy. Assistant Minister of Energy, Dejan Trifunovic told explained that parallel with EPS transition from public enterprise in a closed joint stock company, with the state as the only shareholder, the corporatization process of company would be implemented.

"The objective of EPS corporatization is the establishment of a more efficient operation of the company and management, work rationalization and EPS greater orientation to the market that is about 40 percent liberalized, and the electricity production and supply are no longer activities of general interest", he added Trifunovic .

He recalled that the starting points for the EPS reorganization and a new statute were adopted and that they continued now with the reorganization process, which would be implemented in phases and given deadlines.

The process of transition from a public company into a joint stock company shall include evaluation of the company's capital and the expression of that capital into shares, after which there will be changes in the founding act of the company and aligning of all 14 companies within the EPS with the founding act of the company, said Trifunovic.

Estimation of capital EPS will be completed by the end of this year, while the capital assessment of Elektromreze Srbija (EMS) has been already completed, noted Assistant Minister of Energy.

Trifunovic said that EPS management now has clear instructions of the Supervisory Board, in which way to do the founding acts' harmonization of 14 business organizations from the company composition with the new EPS statute.

He added that he expects the Supervisory Board in the coming days to adopt this new foundation acts of companies within the EPS and that they would soon transmit them to the Government for approval.

"Optimal measures will be established between functions centralization and decentralization within the EPS, and the role of the Supervisory Board, director general and companies and branches directors there will be clear", said Trifunovic.

As he explained, there will be a centralization of certain functions relating to procurement, legal affairs, human resources, information technology.

"We should not speculate how many directors will lose their jobs or be excess, whether it be 100, 300 or even 700 of them, but the EPS management needs to do a thorough analysis and forward it to the Supervisory Board of the company in order to have a clear picture of management functions rationalization", said Trifunovic.

According to him, "there is no concern regarding redundancies, but it is clear what guidelines for rationalization of the EPS management structure are".

He added that it had been considered re-acquisition of some previously outsourced companies from EPS in the composition of the company, adding that these were the companies very important for the EPS functioning, which must be recomposed and must respond to requests of liberalized electricity market.

He pointed out that so far 40 percent of the electricity market was liberalized, that prices in the public supply were not market yet and it was expected that it would become in the next two to three years. For this reason, and because of the company existence in bankruptcy and restructuring, it may happen, according to his judgment, that the whole process of EPS reorganization would slow down, but the new government of Serbia, according to him, would reform all areas, including this area and this work would be completed.

Trifunovic expects that all measures implemented in the EPS will also contribute to the company better and more efficient functioning. Presenting that there is great support of the Government of Serbia to reform EPS and other public companies, he said a lot remained in the management hands of Serbia Power Utility Company, which needed to implement measures as the Supervisory Board recommended.

Source; Serbia Energy