

Serbia: EPS financially stable and losses reduced, says EPS CEO Obradovic

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For almost a year the new management of Serbian Power Utility Company EPS managed to reverse situation in the company, which is now liquid, said Aleksandar Obradovic EPS CEO. According to Obradovic, who is officer in charge of general director of EPS, the company needs experts in the management, and there is a surplus in administration. The real price of electricity is 27 percent higher than the present is.

It was planned that the EPS loss in the 2013. would be about 192. 982. 456 MEUR, and now it is expected to be 7. 017. 543 MEUR, which means that we reduced loss of almost 184. 210. 526 MEUR by successfully operating, loans rescheduling, costs rationalization and record production, explained Obradovic.

EPS also improved the cash flows from the state of insolvency and the real danger that could stop EPS; we improved the results for 375. 438. 596 MEUR, said Obradovic and pointed out that the company managed to retain 97 percent of the market which was liberalized and with improved market price to realize incomes of 20.175.438 MEUR.

He stated that on 31st December 2012. the debts to the suppliers were 215. 789.474 MEUR, and on 30th June 2013.140.350.877 MEUR, which means that for six months to the suppliers was paid 74.561.403 MEUR that entered in the economy.

However, it is large problem that many consumers owed money to EPS, wherefore several debt rescheduling were started, because we wanted to do the favor both to the economy and citizens, said Obradovic.

He pointed out that in the future electricity bills must be paid and who would not pay it will not be supplied with electricity, referring both to the citizens and the economy.

In order for EPS to be more effective, it must reduce costs under the reorganization, said Obradovic, adding that a huge analysis of the jobs systematization started, and that there is a labor lack on difficult jobs, fitters, miners, engineers at the facility, and that on the other side there is more employees in the administration, which is not productive.

The problem is also the age structure, because the average is 45 years old, so EPS does not have generation that can take on all of these drives and therefore there is need to train new people with the older ones, he notes and reminds that in the EPS system are employed approximately 38,000 people.

According to him, the reorganization aim is to achieve cost savings through corporatization and centralization of various functions, legal, financial, IT, human resources, and we should

not do some things for 13 times in all companies, but to lead it centrally.

Commenting on the electricity price, Obradovic said that if the market electricity price would be applied to the public supply, it would have to be increased by 38 per cent instead of 11 per cent, how much it was put up.

Source; Serbia Energy/EPS