

Serbian daily newspapers informed that, according to three-year business plan of state-owned power utility EPS, new electricity price hikes are not planned during that period. However, the Management Board of EPS, which considered the business plan of the company until the end of 2019, decided that, in cooperation with the World Bank, the International Monetary Fund (IMF) and the relevant Ministry, the company will analyze the movement of electricity market prices during that period, and seek the approval of the Energy Agency (AERS) for the eventual price increase.

By reducing the difference between market and current electricity prices for households and small businesses, EPS would significantly reduce the risk of running out of funds for financing new investments, since the current electricity price in Serbia is significantly below the price in the region and Europe. According to EPS' business plan, this led to lack of funds for investing in new capacities, reconstruction of the existing capacities and the increase of the use of electricity for heating.

The aim of EPS is to improve current level of bills collection in the next three years and, according to plan, it should reach 95.5 % in 2017, 96.4 % in 2018 and finally 96.8 % in 2019. By achieving this goal, EPS would record additional annual net profit of about 9 million euros.

State-owned power utility EPS recorded a net profit of 139.9 million euros in 2016. In 2016, EPS has paid 706.5 million euros to the state budget, which is 34 % more than in the previous year and represents about 8.5 % of total budget revenues of Serbia. On 31 December 2016, EPS' total debt amounted to 1.018 billion euros, most of which are loan obligations.