

Serbian state-owned power utility EPS announced that it has recorded a net profit in the amount of 37.3 million euros in the first half of 2018.

The company's revenues in the first six months of the year rose by 5.5 % compared to the same period last year and reached 996 million euros, while its expenditures increased by 0.5 % to 880 million euros.

EPS produced a total of 18.4 TWh of electricity in the first half of the year, which is 1 % more than planned for the period. Due to excellent hydrological conditions, production at hydropower plants was 30 % above planned, while electricity production at coal-fired thermal power plant was 11 % below the plan.

According to the program agreed between Serbian Government and the International Monetary Fund (IMF), Serbian state-owned power utility EPS will become a joint stock company in 2020, while a tariff review for 2018 will be completed by the end of August. The Government said that EPS' legal status will be changed to a joint-stock company in line with the ongoing corporate restructuring process and financial consolidation, aiming to improve the viability of the company and ensure its professional management. The company also continued implementing the 2016-19 labor optimization plan with the assistance of the World Bank and the European Bank for Reconstruction and Development (EBRD).

In March, the World Bank approved the loan in the amount of 160.6 million euros to support the Government's effort to raise the efficiency and effectiveness of public spending as well as the transformation of the energy and transport sectors, including EPS. The loan will support EPS in achieving increased convergence of the guaranteed electricity supply tariff to reach market parity levels from 64 % in 2014 to 80 % at the end of 2018.