

Serbia: Gov expects billion EUR from Power utility EPS shares sale

Categories : [News Serbia Energy](#)

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The contract with the foreign investors about the part of the "Electric Power Company of Serbia", which announced the Prime Minister Aleksandar Vucic, will fill coffers for more than a billion EUR.

At the negotiating table around the largest public company, Serbian can offer up to 31 percent of the EPS value to the minority investor, which is a "heavy" about four billion. Among the potential buyers leaders are Germany's RWE and EON, but also are mentioned French EDF, Italian ENEL and Czech CEZ.

The investor who will enter the "Electric Power Industry of Serbia" will have previously to prepare at least 600 MEUR for a stake in a company that is "bloodstream of the Serbian economy."

- Rough estimates indicate that the EPS property is between three and four billion EUR- says Ljubodrag Savic, professor of the Faculty of Economics in Belgrade. - Even 14 years ago there were speculation that the company is worth ten billion EUR, but the question is in what condition is our equipment. Also, with every cent price rise, the value of the company rises to 350 MEUR. Partner who purchases a part of our giant will provide between 600 and 800 MEUR and at most one billion EUR.

According to the first man of the Government of Serbia, but also the economy minister, the foreign investor will have to settle for minority stakes in our energy sector. We will give to the foreigners, as Savic added, to manage with a quarter or a fifth of the company.

Before an agreement is reached, EPS must become a joint-stock company - says professor Savic. - Citizens receive a 15 percent of the stake, employees and former employees between three and five percent, and the state, if it wants to remain the majority shareholder, must retain 51 percent. Probably between 20 and 25 percent of the shares would be offered to the investor.

Mostly German investors, RWE and EON, look on EPS. On the list of candidates, says a professor of electrical engineering Nikola Rajakovic, there are EDF, ENEL, CEZ, and the Austrian electricity companies.

-They say that the investor will be a German, and so far RWE has been interested in this region - says the professor Rajakovic. - They invest in hydro power plants, and they have been already working on the Morava and Drina. They have invested in Bulgaria, Romania and Republika Srpska.

That EPS had been placed on the market last year, adds Rajakovic, investors from Europe would have afford more for our giant. Due to investments in renewable energy sources, the energy companies within this area would have reduced their profits by up to 20 percent.