

Serbia: IMF demands further electricity price hikes

Categories : [News Serbia Energy](#)

Date : December 23, 2019

The International Monetary Fund (IMF) is demanding that the state-owned power utility EPS perform an evaluation of new electricity prices by the end of June 2020, which would include increased fee for encouraging renewable energy production, which means that the price of electricity for end consumers should be increased.

According to Serbian newspapers, the IMF said in a report sent to Serbian authorities that without the implementation of these measures it would be unrealistic to expect successful financial consolidation of EPS. It also added that mid-2020 is the final deadline by which all activities related to the transformation of EPS from public enterprise to a joint stock company should be completed.

The IMF is demanding for another electricity price hike by mid-2020 because it believes that the recent increase is not enough to cover the electricity production cost. The IMF proposed that future price hikes should be related to annual inflation rate and urged EPS to set an exact date when annual price changes would come into effect.

In November, Serbian Minister of Energy and Mining Aleksandar Antic announced that the price of electricity for households in Serbia will be increased by 3.9 % as of 1 December. The price for industrial consumers will remain unchanged. Minister Antic said that the Serbian Energy Agency (AERS) recently approved the price hike. Among the reasons for the increase are demands by energy companies, increased electricity production from renewable sources since three large-scale wind farms have been introduced recently, as well as the rise of electricity price on the regional market. He reminded that the last significant price hike was in 2015, with minor increases in 2016 and 2017. Despite the increase, prices will remain the lowest in the region. For example, the price of electricity in Serbia is 7.2 % lower than in North Macedonia, 18.9 % than in Bosnia and Herzegovina, 24 % than in Albania, 35.8 % than in Bulgaria, 79.97 % than in Croatia, 85 % than in Romania, and 125 % than in Slovenia.