

Serbia: IMF is still requested increase of electricity prices

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The Head of the International Monetary Fund (IMF) mission in Belgrade Sebastian Sosa said that the price of electricity in Serbia should be increased by at the least the amount of inflation, which would keep the state-owned power utility EPS and the country's energy system stable, adding that the price was not changed in the past two years.

Sosa said to the press that in short-term electricity prices need to be increased, while in the mediumterm the prices should be gradually increased to acceptable level. He also added that Serbia has to switch from coal, as the main energy source, to a much "greener" source. However, the switch, as well as the increase in electricity prices, will have to place gradually, taking the socio-economic implications in the account.

In May, Serbian Minister of Finance Sinisa Mali said that there will be no increase in electricity prices for households in Serbia and such position of the Serbian Government was clearly presented during the talks with the IMF mission last week.

He said that the IMF accepted that position, acknowledging that Serbia is on the path of stable growth and development due to successfully implemented reforms.

Earlier in May, Serbian media reported that the IMF will most likely recommend that the price of electricity in Serbia should be increased by up to 5 % this summer, because the World Bank's analysis for 2018 has shown that the price of electricity in Serbia is among the lowest in Europe.

In August 2017, the Council of the Serbian Energy Agency (AERS) has approved the request submitted by EPS for an increase in the price of electricity for households and small businesses by 2 % on average as of 1 October 2017.