

## Serbia: IMF seeks up to 5 % electricity price hike

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According to Serbian media, the International Monetary Fund (IMF) Mission 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.

The exact percentage will be known after the meeting between the IMF Mission and Serbian authorities, scheduled for 10 May. Serbian authorities reason that the price hike should be less than 3 %, due to social conditions. According to media, IMF will insist on some price increase, so it is very unlikely that the Serbian Government could avoid it. Structural reorganization of state-owned power utility EPS will also be on the agenda of the meeting.

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. EPS has filed a request following an analysis with the World Bank's expert team and it is in line with the company's consolidation plan. The increase represents an adjustment of price only for a part of inflationary trend, which is a consequence of overall financial stabilization in Serbia, as well as good financial results achieved by EPS, for which a positive assessment and approval of international financial institutions was obtained.