

Raising the price of electricity is one of the conditions for an arrangement with the IMF, and NBS projects the correction already by spring time.

The increase in the price of electricity is yet another obligation that the Serbian government will take by concluding the arrangement with the International Monetary Fund, and the higher price of this energy source, the citizens will most likely pay as of April.

Price increase with which "Electric Power Industry of Serbia" now calculates, is around 10 percent, according to the findings of our newspaper, while according to the expectations of the Governor Jorgovanka Tabakovic, the electricity price should increase by 15 percent in April.

Foreigners complain

- International institutions constantly complain that prices for households in Serbia are below market prices, and therefore the true market liberalization is not possible. A more realistic price should allow attracting foreign investment, but also additional funds for investments of "Electric Power Industry" in ecology and new power plants.

The price increase is inevitable for the National Bank of Serbia as well, which states in the Inflation Report that regulated prices should be increased about seven percent this year.

- An important factor in achieving this assumption is the announced adjustment in electricity prices, whose 15 per cent increase we assumed in the second quarter of the year. Bearing in mind that the price increase is assumed in April, regulated prices should accelerate growth as of that month - said the NBS.

Electricity is not charity

Branko Kovacevic, Chairman of the Supervisory Board of EPS, stated for Kurir that electricity can no longer be treated as a social category, because if this trend is not stopped, not only that we won't have competition in the market but we will jeopardize the country's energy security.

Prices are below market prices and cannot provide profit from which EPS could build new plants to generate electricity. Without them, Serbia in the future may be an importer rather than an exporter of electricity. Therefore, the electricity must be more expensive because EPS cannot endure for it to be an element of social policy - said Kovacevic.

EPS

Not planned, but it can happen

Dragan Jovanović, executive director of EPS, says that by the end of the winter period there won't be an increase in prices, but that the price of electricity is a living thing. From that company it is stated that price increase is not planned by the annual business program, but that by the end of March, the Government will adopt a plan of financial consolidation, where it will be specified how to overcome the consequences of floods. This plan, as was added, will be done in cooperation with international financial institutions (IMF, World Bank and EBRD) and will contain tasks and deadlines for improvement of financial performance of



Serbia: IMF's condition to Gov, As of April electricity up to 15 percent more expensive?

EPS.