

The Prime Minister Aleksandar Vučić explicitly demands that profit come first and everything else second. The Serbian Government has given a clear signal that reorganization must be implemented now. Corporatization is an excellent opportunity for us to show at our best that the EPS has the first-rate staff. The idea is to be as close to electricity generation and distribution as possible, and particularly, as close to our buyers as possible.

The changes in the “Electric Power Industry of Serbia” must be made, because the business circumstances have changed and these changes will be good for the EPS employees – says Mr. Aleksandar Obradović, the director of the “Electric Power Industry of Serbia” in his interview for the “KWh”. After the open competition for choosing the director of the “Electric Power Industry of Serbia” which lasted for more than a year, the Serbian Government has decided to entrust the four-year term to Mr. Aleksandar Obradović, who performed the duty of the acting director of the EPS within the previous two years.

What has changed by your being appointed the director of the EPS?

By appointing me as the Director of the EPS, the Serbian Government has given a clear signal that the corporatization, on which I have been insisting for two years already, must be implemented now.

You have announced the changes in the organization of the parent company, the PE EPS, what are all the things that will be changed?

The Serbian Government has given a clear signal for the corporatization of the “Electric Power Industry of Serbia”. And in order to implement all the reforms, the first steps must be taken. I expect the Serbian Government to adopt an important document, the EPS Reorganization and Financial Consolidation Plan, already at the end of October or in early November. We will finally have a document which will specify very clearly how the EPS should be reorganized, financially consolidated and within which period of time. For me, this document will be a Holy Bible, i.e. a pattern to be followed while implementing all the changes. Parallel to adopting the reorganization and financial consolidation plan, the Serbian Government should approve of the amendments to the memorandum of association and the articles of organisation of the companies. It is no secret that, from the start, I have been advocating for corporatization i.e. for a completely different organisation of the “Electric Power Industry of Serbia”, according to which all daughter companies will be a part of a large system. Thus, the subsidiaries will not exist only for themselves, but they will all be a part of the system. I expect the amendments to the memorandum of association and the articles of organisation to be adopted by the end of November. These are the two main preconditions for changes. By adopting the reorganization and financial consolidation plan and by amending the memorandum of association and the articles of organisation, the preconditions for further steps are created. When these two conditions are fulfilled, then, the application of the new PE EPS organizational structure will begin. By this new structure,

we will try to make the PE EPS more integrated with our daughter companies. Many feared that we would create an even more cumbersome administration here in the PE EPS and make them even more distanced from the companies. The idea is opposite, because the Board of Executive Directors, chaired by me, is founded. Seven more members of the Board of Executive Directors will be chosen and they will be responsible for and will manage the entire EPS system, and not only the PE EPS.

What is amended in the Articles of Organisation and the Memorandum of Association?

The supervisory and the executive function were not sufficiently divided in the Memorandum of Association. There was an interweaving between the Supervisory board and the Board of Executive Directors and this within the segment of processes management and within the segment of personnel policy. Now, the Board of Executive Directors cannot perform the executive function and change the work processes and implement the personnel policy directly. Now, this is all up to the Supervisory Board. In the Articles of Organisation, advances have been made by making the Companies function as a whole now, as the EPS group. Some functions such as the accounting, the information technologies, the human resources, the public relations have been recognized as functions. But the mechanism is still not strong enough for us to be able to change the EPS if this round of changes is not carried out. By the new amended documents, it will be made clear, within the legal possibilities, that the Supervisory Board supervises the work of the Board of Executive Directors. And the Executive Board will manage the work process and the personnel policy. There must be a system of supervision and control. The law has given quite wide powers to the Supervisory Board regarding the long-term plans and property alienation. The management of the company, the work process, the investments and the personnel policy are the three pillars of management. Without these three pillars there is neither effectiveness of executive management, nor the possibility to manage the company. This is not reinventing the wheel, this is how all modern companies are organised.

Why the EPS must not be a public enterprise anymore?

We are soon entering the third circle of market liberalization and we will be completely exposed to the open market competition. And, as a public enterprise, we have both our hands and legs completely tied, i.e. we operate according to a completely different law with respect to the economy. How can we fight, then, in the open market competition with the companies that do not have any restrictions, that are paying the staff whom they believe can bring them better business results, that do not have any restrictions regarding the public procurements... This is not good for the EPS. And it is often said that people in the public sector work two or three hours a day in contrast to the private sector. This is definitely not the case in the EPS. In our production facilities, people do responsible and difficult jobs, as well as the management which certainly does not fit in the above mentioned and often quoted statistics.

Operative in the EU

After a long period of time, the “EPS Trading” has been founded in Slovenia. Why did we wait for so long?

I still do not understand why, many years ago, the “Electric Power Industry of Serbia” did not found a company through which it would directly trade in electricity. There are different interpretations, that there was a law which did not allow this, it was not envisaged by the Law on Public Enterprises... The state does not guarantee any customers to us now and we have always had to buy energy from others. Now, we will be able to buy electricity directly throughout the European Union. I believe that we will be completely operative in this job at the beginning of the next year. As from the following spring, an electricity stock exchange should also be formed in Serbia. The electricity will become a stock exchange commodity in our country, too.