

Serbia: PM announces regional market expansion of power utility EPS

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Prime Minister Aleksandar Vucic announced that "Electric Power Industry of Serbia" will try to team up with EP Montenegro and EP of Republika Srpska or to buy them.

"Electric Power Industry of Serbia" will not be privatized, but it will try to buy the power companies in Republika Srpska and Montenegro or to join with them, said the Prime Minister Aleksandar Vucic.

- I want to announce that we have different plans for EPS. We do not want to sell it and do not want to privatize it. We wish to expand their influence, to speak with Republika Srpska and Montenegro. We will try to participate in the purchase or creation of joint ventures with RS and Montenegro - said Vucic.

Cost-effective move

How much this move would be cost effective and how the work could be carried out, analyzes the Energy Ministry, confirmed Minister Aleksandar Antic.

- Ministry and EPS seriously analyze how to make this activity feasible because these are valuable companies. The analysis will be completed in a few months. The value of this work is reflected in the fact that EPS has become a serious player in the region; the production would be better balanced in different periods of the year. Now, you first need to do a reorganization in cooperation with MMF in order to achieve savings and that EPS could rely on their own income and some credit lines for the job realization- Antic said, adding that Prime Minister Vucic would not mention it if "some possibilities for cooperation do not exist. "

EPS spreading in the region would be a good move, says the financial analyst Mahmud Busatlija, but doubts about the possibility of realizing these ideas.

- Expansion of the system with good management can lead to better economic performance. When a company is not dependent on the state, it can take a loan and it is not dependent on government guarantees. I do not know whether Europe still has an energy company that cannot get a loan except EPS - highlights Busatlija.

What we are going in the shopping with?

Billion euros is total amount of debts of "Electric Power Industry of Serbia".

The last loan taken from EBRD amounted to 200 MEUR.

It took 200 MEUR from commercial banks last year.

EPS spends 7 MEUR on consultancy services.