

Electric Power Industry of Serbia (EPS) in 2015 will begin to invest in new thermal power plant after more than 25 years, and change the organization in order to save at least 36 MEUR per year said Aleksandar Obradovic CEO of EPS.

He explained that the Serbian Government adopted a plan of reorganization in which the idea was to classify the production and distribution companies.

“The first test was on July 1st, when all of these enterprises should be placed under a cap within EPS. Until then, all manufacturing companies have to operate within EPS and they will be canceled as subsidiaries and all distribution companies must start to operate within the operator distribution system”, said Obradovic.

He added that there would be changes in EPS supply, which would remain company within EPS.

Obradovic said that, in parallel with the reorganization, EPS waits for financial consolidation that the Serbian Government should adopt a plan by the end of the first quarter of 2015th, what also expected the International Monetary Fund (IMF) and the World Bank.

“This document is not only important for EPS, but it was elected as a company over which will be looked at the success of the reform of the public sector” said EPS director and added that the plan should say what financial measures EPS should be implemented in the next three years.

Obradovic said that the act of planning the employees number was not a priority at the beginning of the reorganization, because there are many areas in which needs to be savings.

“My plan is that we make a general analysis of the employees’ number in the first half of 2015th, particularly in the areas of administration, where I feel and I see that there is a surplus. I do not expect that any lists (redundancies) will be made soon”, he said.

EPS Director stressed that all organizational changes would work in cooperation with the unions, and the focus would be on financial resources, and not on the employees’ number.

“I will fight for each working place, and I will try to make savings wherever possible, and not to disturb the production process”, said Obradovic.

EPS Director said that according to the plan of legal form change until July 2016th, EPS should move from a public company into a joint stock company.

He said that the year 2015th will be the year of investment for EPS, since after more than 25 years starts the construction of a large energy unit and added that it was the third unit of the thermal power plant “Kostolac B” of 350 MW, in cooperation with the Chinese.

This unit should ensure a stable electricity supply in Serbia in the future. The project will last for more than five years and the building activities will be done at the end of 2015th”, he added.

Obradovic said that besides this EPS annually invests between 200 and 250 MEUR in repairs and regular maintenance.

He also said that negotiations with the German Development Bank (KfW) were underway to invest in a wind farm and solar park in Kostolac and the plan is to continue the investment, which will be discussed after the enactment of financial consolidation plan.

Obradovic said that the year 2014th was difficult for EPS and that the company had suffered financial damage of around half a billion EUR from natural disasters.

He said that damage would be felt even in 2015th , why the pressure would increase on the EPS management to become more effective as soon as possible, to reorganize and reduce costs.

Obradovic recalled that the first damage was caused on the distribution network of western Serbia due to floods and landslides, it was followed by the May floods that have stopped the largest coal mines of “Kolubara”, problems in Kostolac and Djerdap, and it finished with an icy wave in southeast Serbia.

Flood damage will be repaired with the help of loans that EPS has received from the World Bank and commercial banks, said Obradovic.