

Speculations that certain lobbies stand for the privatization of Serbia Power utility company EPS continue these days with the statements that the German power Giant RWE is ready to pay several billion euros in order to become the owner of that Company. It is further supposed that by inviting the Prime Minister Aleksandar Vučić, Chancellor of Germany, Angela Merkel wanted to discuss that possibility as well.

It should be recalled that the Prime Minister in expose also indicated that there is a possibility of selling minor part of EPS to the strategic partner. According to unofficial information of Danas, in the top of the State as well as in the management of EPS there are the "two streams of thinking". One of them is for the privatization, while another one is against selling that large Public Company. Both of them agree that finding a strategic partner from abroad is necessary, but they have different views when it comes to its roll. One stream believes that EPS should be privatized and that strategic partner should become the owner of the minor part of the Company, but to have chief role in making decisions. The other stream is strongly against privatization as "family silver", and it sees the role of strategic partner as the investor and the owner of the new production, facilities that in cooperation with EPS would be built in the territory of Serbia. In this very moment there is a battle between these two streams in taking the key positions in that Public Company. Professional public, however, thinks that both of these streams have their good and bad sides.

Thinking on the sale of EPS, does not occur due to the bad situation in EPS. On the contrary, EPS has great potential and it is in a very good state. Thoughts on the possible changes occur only because of the hard economic situation in the Country and because the holes in the budget should be filled. A sale of that valuable Company is one of the ways to fill in the budget. There are many reasons why EPS should continue functioning as the State owned Company.

If EPS stayed in the ownership of the State, the stability of electric power system would be achieved. Namely, the production, facilities and mines would not be in private ownership i.e. as the ownership of the State, the Company would still be in the ownership of the citizens of Serbia. The most important for consumers is that the electricity prices would be lower than in case of EPS becoming a Private Company. In case of privatization, the price of electricity could become speculative. It often happens that the market price of electricity is not the real price but speculative one and that is neither good for the consumers nor generally. Ten years ago the USA faced the problem of speculative electricity prices that were unrealistically high. Having all that in mind, the selling of EPS is not really a good solution. On the other hand, privatization would provide better management of the Company. -By appointing unqualified management, the State led this important segment for functioning of every Company to the lowest possible level. In this regard EPS needs changes that a strategic partner would surely make. Since the State proved to be very bad

manager and it would be good that some other institution even the foreign one took over the management of the Company i.e. to appoint its professional management.