

**In 2021, the public company “Elektroprivreda Srbije” (EPS) rapidly worsened all its balance positions compared to 2020, so its share in the gross domestic product (GDP) decreased from 2.23 percent to 1.38 percent, it was stated in the latest number of the journal Macroeconomic Analysis and Trends (MAT).**

It is stated that in that period, the EPS also reduced the gross value added (GVA) by 35 percent, as well as that the total business expenditure in 2021 was twice the total and business income.

In MAT's analysis “Effects of EPS operations in 2021: Coping with the consequences of non-restructuring”, it was stated that the capital was reduced by 7.4 percent, and that the loss was close to 150 million euros.

In 2021, the liabilities of EPS reached three billion euros, and the accumulated loss reached 1.7 billion euros.

“The EPS business performance began to deteriorate in 2018 and with the exception of the pandemic 2020, the inefficient business, burdened by numerous structural problems, is continuously deepening”, the analysis reads.

The company, as stated, made a profit of 91 million euros in 2020, of which more than a third was the result of exchange rate differences, but instead of investments, half of the profit was returned to the budget, and the other half was directed to cover accumulated losses.

“Due to the reduction in production in the fourth quarter of 2021, the increase in energy import prices due to the global energy crisis in the first quarter of 2022, and the corresponding additional borrowing, the company is operating in the negative zone”, the text stated. Losses in the fourth quarter of 2021 (which amounted to 117 million euros), and in the first quarter of this year, 253 million euros.

The trend of deteriorating business performance of EPS Group is only complemented by the key financial indicators of business:

Average rate of decline of employees 2015-2019. it was minus 4.4 percent because the number of employees fell from 31,950 to 28,083 workers.

The drop in employees in 2020 by 2,534 is a consequence of status changes, i.e. the separation of JP Elektrodistribucija. In 2020, the number of employees decreased by minus six percent.

In 2021, total income increased by 15 percent in real terms, while total expenditure increased by 29 percent.

Business income grew twice as slowly in 2021 compared to business expenditure growth, 17 percent versus 33 percent.

The accumulated loss has been constantly growing, in real terms per year at a rate of 6.1 percent from 2015-2019, so that in 2020, after the separation of JP Elektrodistribucija, it will grow in real terms by 38.5 percent, from 1.1 billion euros to 1.5 billion euros.

It is emphasized that compared to the average in Serbia, earnings in EPS in 2020 were higher by 70 percent, and in 2021 by about 50 percent.

“Given that the continuation of the global energy crisis is expected until the end of 2022 and in 2023, the state and the company will have to implement a series of reform measures, so that the company can overcome the problems with as few losses as possible and stand on sound foundations”, the authors estimated, Bloomberg Adria reports.