
Bulgaria to break up Bulgarian Energy Holding - PM

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Reuters reported that Bulgarian government plans to break up a state energy group, set up by the previous administration in attempt to strengthen its position in the European power market.

Mr Boiko Borisov Prime Minister of Bulgaria said that "The Bulgarian Energy Holding is an absolutely unnecessary body. We will dissolve it in about a week or two."

It may be noted that in September 2008, the previous Socialist led government merged its biggest energy companies into a EUR 4 billion holding company. It consolidated the main state power utility NEK, dominant state gas company Bulgargaz, its largest thermal power plant Maritsa East Two and its sole nuclear power plant Kozloduy.

The finance minister in the new centre right government which took office on July 27th 2009 has said a minority stake in the holding might be listed on the Bulgarian stock exchange when market conditions improve.

But Mr Borisov said the holding company structure was void of meaning and accused it of poor management that has made callable a EUR 250 million loan syndicated by BNP Paribas for the construction of the planned Belene nuclear plant. He said that the government had not yet decided whether to pay back early the loan or accept demands for much higher interest rates on the 5 year loan extended in 2007.

(Sourced from www.reuters.com)

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