

The European Bank for Reconstruction and Development has bought bonds worth €80m from state-owned Bulgarian Energy Holding's five-year €550m issue to support reform of the country's energy sector. The European Bank for Reconstruction and Development has bought bonds worth €80m from state-owned Bulgarian Energy Holding's five-year €550m issue to support reform of the country's energy sector.

In early 2015, the Bulgarian government unveiled a reform plan for restoring the financial viability of the electricity sector and to promoting liberalisation of the energy market.

BEH, which pools all state-owned energy assets in Bulgaria, has raised funds to restructure its balance sheet in order to strengthen its long-term financial sustainability.

The company successfully placed its second Eurobond, worth €550m and bearing a coupon of 4.875%, on the Irish Stock Exchange.

The issue, which attracted several international investors, was oversubscribed at an amount of €2bn.

BEH is the holding company for a group of companies which are principally engaged in electricity generation, supply and transmission, natural gas transmission, supply and storage and coal mining.

The group's market share of Bulgaria's electricity generation was 59% in 2015 when it had an installed electricity generation capacity of 6.3GW and produced 29.24 TWh of energy.

EBRD director, head of power and energy Nandita Parshad said: "The EBRD's investment in BEH's bond is an expression of our strong support for the ongoing reform process to restore the financial sustainability of the electricity sector and promote the liberalisation of the Bulgarian electricity market."

The EBRD has so far invested more than €3.3bn in over 220 projects in Bulgaria.

source: utilitiesnetwork.energy-business-review.com