

## **Bosnia: Russian oil refinery owner important for local economy**

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The President of the Republic of Srpska (RS) Milorad Dodik said that the Russian company Zarubezhneft, which is the owner of Bosanski Brod oil refinery, is of strategic importance for the country and that there is mutual desire for maintaining and improving cooperation on joint projects.

This was said after the meeting with the representatives of Zarubezhneft, led by the company's General Director Sergey Kudryashov, who informed President Dodik on business results, production and future plans of the company.

Earlier this week, the audit company KPMG said in its report that the future of Bosanski Brod oil refinery is uncertain without the support from its parent company – Russian NefteGazInkor. The accumulated consolidated loss of the refinery amounted to some 302 million euros at the end of 2016, while the company's short-term liabilities exceed current assets by almost 9 million euros. In the report KPMG warned that the fair value of the company's non-material assets, property, plants and equipment could significantly differ from the book value of 379.5 million euros.

Bosnian oil refinery Bosanski Brod, located in the Republic of Srpska (RS), has posted a huge loss in the amount of some 36.6 million euros in 2016, compared to net profit of 2.9 million euros in 2015. The company's operating revenues dropped by 16.4 % compared to the previous year, reaching 42.4 million euros in 2016, while operating expenditures dropped as well by 17.2 % to 40.04 million euros.

Oil refinery in Bosanski Brod, as well as the refinery in Modrica and Nestro Petrol in Banja Luka are part of Optima Group, majority owned by NefteGazInkor, a subsidiary of the Russian company Zarubezhneft.