

The Croatian-Hungarian consortium INA-MOL sued the Government of the Federation of Bosnia and Herzegovina on litigations that this consortium took over “Energopetrol” in March 2006 by recapitalization, which the current Federal Government must compensate now. It is a claim that amounts to about 34MEUR, and INA-MOL consortium has even initiated arbitration proceedings in the International Chamber of Commerce in Paris to collect the funds.

Multi-million claim is a consequence of the Recapitalization Agreement of “Energopetrol” that the authorities signed 8th of March 2006 with INA-MOL. According to one of the provisions of this agreement, the Federal Government, with former prime minister Ahmet Hadzipasic at the head, has pledged to take all the debt in the process, including the workers’ claims amounted to more than 10MEUR

The consortium INA-MOL took advantage of this provision in the contract to make employee claims directed to the Federal Government, although it is majority owner of the consortium with a capital of 67%, while the state capital only accounts for 22%. FBiH Government has repeatedly tried to settle out of court to resolve this problem in order to delay the start of international arbitration, but INA-MOL has no intention of giving up the claim.

This was confirmed by the Director of Agency for FBiH Privatization Šuhret Fazlić, head of the negotiating team that is ahead of the FBiH Government in charge of negotiations with INA-MOL. Fazlić said that INA-MOL initiated arbitration in Paris already in March last year and that the situation now does not benefit to the Federation of BiH.

- Nothing has been resolved. We in the Federal Government do not know the exact amount of the claim INA-MOL. However, the situation is really difficult. This is not good for us and the verdict could pose a major threat to the FBiH, because we do not know the exact amount - says Fazlić.

He said that the government has hired lawyers from Switzerland.

- The worst thing is that none of the previous governments did not complain to the arbitration initiated by INA-MOL. All our deadlines for appeals passed. There is a real danger of losing everything because, to make matters worse, instead of having in charge domestic law in this case, Swiss law applies - said Fazlić.

In case that the judgment of the arbitration is in favor of the INA-MOL, there is a high probability that hundreds of workers’ claims in the amount of up to 80 million BAM could occur, which would put Federal Government in a difficult financial situation.

The math says that the Federal Government could lose 44MEUR, 34MEUR which INA - MOL requires and 10MEUR for workers.

Source; Serbia Energy See desk/Avaz daily