

Croatia: Freezing of liberalization of gas market is part of the Government negotiations with MOL on INA future

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"I think there are so many people who may complain about decision of the Croatia Government by the end of February, according to which the wholesale market supply with natural gas will be transferred from Ina Company to Croatia Power Utility Company from 1st April and during the next three years from " told us Robert Golob, Management president of GEN-I Group. GEN-I, beside RWE Energy, in croatian electricity market made significant market penetration.

Because of this decision of Government, namely freezing of gas market liberalization in the next three years Due to the Government's decision, on freezing liberalization of the natural gas in the next three years were affected those that were planned, including GEN-I, to enter the market of gas supply as they entered the last year on the electricity market.

By decision at the end of February HEP becomes new supplier in the wholesale market from 1st April this year until 1st April 2017th, which is called supplier of supplier in professional circles and.

Golob believes that government's decision does not go in any way in the direction of the regulation trends of the natural gas market in the European Union, and therefore does not go in favor of the consumer and market liberalization.

Further development situations, as Golob considers, depends on the measures taken by the injured party by the government decision, and that is primarily Ina. "If INA seeks the protection of the EU, it will certainly succeed in that. Question is how long will it take time for it, but surely it cannot succeed because the adopted measures, as I has been informed, are contrary to the directives of the EU", said Golob adding that he believes the Government's decision primarily was initiated from negotiations with MOL on INA future.

Golob does not consider that the Government decision has gone in the direction of protection of local distributors which, as he points out, are absolutely unprepared for competition.

"No, I'm sure it has nothing to do with the situation on the gas market. It was the measure to increase the bargaining Government position in relation to the MOL, on the other hand to strengthen HEP financially. HEP actually got three years to learn something on the gas business. It is not just that because if things stay like this HEP will have each year a very strong financial injection of, according to our calculations, 50 MEUR annually", said Golob.

Source; Serbia Energy See Desk