

Croatia: Gov prepares for INA takeover talks from MOL

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Croatian Government has established a eightmember council for negotiations with Hungarian MOL on buyout of MOL's stake in Croatian oil company INA. The council will be chaired by the Croatian Prime Minister Andrej Plenkovic.

Other members of the council include Ministers of Foreign Affairs, Finance, State Property Management, Energy, Justice and Labour. It will determine guidelines for negotiations with MOL, take necessary measures and suggest which decisions should be made by the Government regarding the preparation, implementation and financing of the procedure for the buyout of MOL's stake in INA. PM Plenkovic said that the council will consider all available options and choose the best and most feasible option, taking into account the fact that such transaction should not increase Croatia's public debt.

In late 2016, after the ruling of the Arbitral Tribunal of the of the United Nations Commission on International Trade Law (UNCITRAL), which dismissed Croatia's claims against MOL regarding the managerial rights in INA. Croatian Government announced that it will consider the buyout of MOL's stake in the Croatian oil company. Last week, PM Plenkovic said that the best buyout model, that would not include an increase of Croatia's public debt, is the proposal for the initial public offering (IPO) of 25 % minus one share of Croatian stateowned power utility HEP, which should cover the cost of MOL's stake in INA

Hungarian oil and gas company MOL owns 49.08 % of INA's shares, while the Croatian state has 44.84 % stake in the company.