

Croatia: HEP IPO is the most efficient model for INA buyout

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Date : March 22, 2017

Croatian Prime Minister Andrej Plenkovic reiterated that an initial public offering (IPO) of 25 % of the shares of state-owned power utility HEP is the most efficient, fastest, simplest and cleanest option for obtaining funds for the buyout of MOL's stake in oil company INA, which will also enable the state to entirely control the process.

PM Plenkovic said that the Government is open to talks on finding the most suitable solution. According to him, all options are currently on the table, but the initial one – the IPO of HEP's shares, is still the best as it does not generate any new debt and it will allow a transparent and practicable process.

Minister of Economy Martina Dalic said earlier that besides this model, there is also a model that envisages establishing of a state-owned holding that would consist of HEP, INA, natural gas transmission system operator Plinacro and oil pipeline operator JANAF.

In January, Croatian Government has established a eight-member 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.

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