

## Croatia, Hungary: MOL INA Oil refinery modernization on halt

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Executive Director of Ina Oil refinery Rijeka, Bengt Viktor Oldsberg relativized the continued modernization of RN Rijeka and mentioned the possibility of reducing the number of employees, that the reorganization because the refinery is not competitive in relation to labor costs.

Asked if the final decision on the second phase of modernization was brought, Oldsberg says that "when entering into such an investment, never the final decision is made first, and then work on its implementation for five years. The project is being developed and there is always some uncertainty, but there is also a very firm determination to continue with their investment. "Ina has formed a team and launched a series of procurement preparation and location for the coking plant and Oldsberg admits that if RN Rijeka is built, it will be very difficult to survive in the market, but "he honestly believes that this will not happen.

" The investment is worth 400 million USD and Ina wants a stable and stimulating tax policy for refineries taxation, and an agreement with the government on strategic investment. The plan is the cocker to be in operation in 2019<sup>th</sup>, and this year INA will focus on the acquisition of project parts for whose implementation or delivery is required for a longer period and contracts for the final plant design. Oldsberg says there is no plan of transforming Croatian refineries in MOL's logistics centers. Rijeka refinery, he says, is uncompetitive in relation to the reference prices on the Mediterranean market, a number of external and internal studies for the Sisak Refinery have shown that there is a market viable option in which the refinery would continue to operate and invest in processing, so its economic survival is unjustified. On the question whether with the closure of RN Sisak domestic oil would be processed in RN Rijeka or in Hungary Oldsberg says: "My firm position is that domestic crude oil must be processed where is the most cost-effective for INA, and it is most likely in Rijeka", says Oldsberg, leaving us to wonder why Executive Director for Refining and Marketing still is not so sure that the domestic processing is the most cost-effective.