

HEP's chosen strategic partner for construction and management of Plomin C, Japanese Marubeny, has already been convicted twice, and grounded with multimillion fines for bribery, they used for winning big projects.

Two years ago Marubeny had to pay nearly 55 million USD of fines, for participating in the attempt of bribing politicians in Nigeria for construction of LNG terminal on Bonny Island, Novi list reports.

This year they confessed bribery of officials and heads of Indonesian state energy company, in order to win 118 million USD project of power plant construction in Sumatra. They are obliged to pay 88 million USD of fine, while Indonesian officials were sentenced to three years in prison. One of the officials received almost half a million dollars of bribe money. Participants in bribery were also employees of American subsidiary of Alston (French company and Marubeny's main supplier of equipment). HEP recently announced that Alston will be Marubeny's main supplier of works and equipment in the case of Plomin C, as well. One of directors from Alston's American subsidiary, confessed in July 2014 his guilt for bribing in Indonesia, as was done by two officials before him, and generally the company is still under investigation. British prosecution announced yesterday that Alston's British subsidiary paid 8,5 million USD of bribe money for winning diverse transport projects in India, Poland and Tunisia.

The third problem is HEP's contract that will be signed with Marubeny. According to that contract HEP will have to buy from Marubeny, which is going to cover major part of billion EUR worth of investments, half of electricity produced in Plomin C. As Škrlec warned yesterday, that kind of contract is contrary to EU's Third energy package, which stipulates that all buyers of electricity should be free to choose their supplier. HEP will have the monopoly in the market, distorting competition in the market that way, he states. The analysis of Hungarian nonprofit organization EMLA, which is engaged in environmental law, concluded recently that if HEP as a state-owned company signs a contract with strategic partner, that will be considered as government assistance to private company, which is forbidden practice in EU. However, things are not that black and white, as some experts for Third energy package explain to our newspaper. They confirm that the market should be liberalised, but on the other hand, HEP as a public enterprise is obliged to provide public service to consumers, to guarantee certainty of supply, and has to purchase electricity somewhere. Specific question is at what price will HEP purchase electricity from Marubeny. According to unofficial, but from several sources confirmed information, in additional negotiations Marubeny will offer HEP much higher price than the one they offered during initial negotiations. Allegedly, that price is 50% higher than market price, and at the same time higher than the price at which the most expensive electricity is made, the one from gas. Whether or not this could be the possible reason for dispute between Minister of Economy, Ivan Vrdoljak and dismissed Seric, it is not yet certain, but that possibility exists.

Such details, like purchase price, are yet to be agreed with Marubeny, and partnership agreement is to be signed early next year. Whether or not they will agree to Marubeny's terms, is yet to be seen, but in case Japanese demand too much, HEP should turn itself to second-ranked bidder for Plomin, Korean Daewoo, or third-ranked Italian Edison.