

Sisak Refinery, part of INA Oil company, has been processing only domestic oil, the annual quantity of which is around 600 thousand tons. INA majority ownership belongs to MOL. Mid last month, the Refinery in Sisak was not stopped only temporarily, until the oil necessary for normal continuation of operation was gathered, as Ina officials have tried to convince the angry workers and the Croatian public.

Exactly the opposite, while the plants in Sisak are at a standstill, the transportation of domestic oil to foreign addresses is analyzed and prepared in strict secrecy. This follows from Ina's internal document into which local daily paper Jutarnji gained insight, and in which the possible manner of networking the Croatian oil fields with the refineries in Bosnia and Herzegovina, Serbia and Hungary is considered.

As is known, in the recent years, Sisak Refinery has been processing only domestic oil, the annual quantity of which is around 600 thousand tons. As the available quantities of the raw material are considerably smaller than the Refinery capacity, the plants have been working intermittently, in the so-called Swing mode, which means that the processing is started when 200 to 300 thousand tons of oil have been gathered in Sisak, and then it is temporarily shut down until the new round. Despite such operation, Sisak Refinery has had positive business results while processing domestic oil.

But Ina has been persistently trying to close it down. They also tried this on several occasions last year, hiding the data on its profitability and claiming that the closing down of Sisak was the only economically rational solution. The resistance on the Croatian part was too strong, so the intention could not be realized. The plants were nevertheless stopped on 14th January, allegedly temporarily, as it was claimed like many times before. However, the fact that Ina has not included the processing in Sisak in this year's plan calls for caution. Ina has not planned any kunas for investments or for maintaining the refinery, either.

Energy experts believe that this can be interpreted in only one way: the refinery is practically closing down and a formal decision about it will not even be made - due to the balance of power. Well-informed sources claim that Ina offered the Croatian oil to the refinery in Bosanski Brod already at the end of the last year. This plan for transporting the Croatian oil, not to Sisak, but to the refineries outside Croatia, has been thoroughly developed in the meantime.

In the analysis which we have had the opportunity to see, the refineries in Rijeka, Bosanski brod, Pančevo and the MOL's refinery Sashalombata in Hungary are stated as possible destinations. Rijeka is not acceptable because it does not have the installations for accepting oil from tank trucks, whereas the refineries in Serbia and Hungary possess the necessary installations and they can start receiving oil immediately.

In Ina's document, the possible modes of transport (tank trucks, railway and oil pipeline) are analyzed in detail, as well as the costs of the whole operation. The availability of tank trucks on the market is considered, as well as the required number of drivers and vehicles, the

frequency of traffic (several thousand tank trucks per year), even the possible risks, and so an estimate about 12 vehicle accidents “with severe consequences to environment” is stated.

From the analysis, it clearly follows that motor transport is the most expensive form of transport. It is also obvious that the cost is the lowest for transferring oil to Rijeka (from 21 to 26 dollars per one ton of oil), and the highest for transferring it to Hungary (from 41 to 46 dollars per ton). But this would pay off hugely to MOL anyway. The Hungarians can pay enormous transportation costs because the Croatian oil is very cheap for them – the concession fee is miserable, only ten percent of the market value of oil, and the costs of exploration were amortized long ago.

It is important to say that the plan that we have seen also has a precise time scale. By mid-January, the services of road transport were supposed to be contracted for minimum ten thousand tons of oil per month, and by the beginning of March, the rail shipping in Graberje should be put into operation, railway tanks for oil transport should be contracted and the connection to the oil pipeline in Virje should be negotiated with Janaf. Thus, the content of this document, which has been completely unknown so far, not only to the public, but also to the members of Inna’s Management Board, reveals that the plans for transferring the Croatian oil, most probably to Hungary, have not been only devised but they have already begun to realize, too.

The Croatian side has not been informed about all this whatsoever. The Minister of Economy Ivan Vrdoljak, as the leader of the Government’s team for negotiating with MOL, has recently demanded from Ina the answers to a series of obscurities regarding the fate of Sisak Refinery. Among other, he also asked for a response with reference to the alleged plans for delivering the Croatian oil to Hungary, Serbia and BiH by convoys of tank trucks in the future, approximately 70 tank trucks every day. At the same time, he warned that such ideas about selling domestic oil to other countries were unacceptable for the Croatian Government because “in this way, Ina gives its business processes over to other companies within the region”. Vrdoljak’s letter to Ina has remained without reply.

The Croatian government is on the move now. Last month, in the Parliament, the Prime Minister Zoran Milanović announced more decisive action with respect to Ina, precisely detecting MOL’s tactics: “It is clear that it is in the interest of MOL to stop all production in Croatia and to sell the derivatives from its refineries in Hungary and Slovakia using Ina’s pumps”, he said, and added that “the Government will confront such plans, so let’s see who is stronger!”