

Hungary: Cooperation between MOL and Croatia politically unsustainable

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Hungarian Minister of Foreign Affairs Peter Szijjarto said that cooperation between the Croatian state and Hungarian oil and gas company MOL has become politically unsustainable and that there is no other solution but to end it.

Szijjarto said that the Croatian Government should reach an agreement with MOL on this matter, while the Hungarian Government should not be involved at all. He reiterated his previous statement that the transaction will be acceptable only if the amount of money returning to Hungary is equal to the total amount of the capital invested in INA by MOL.

On 1 February, Croatian Prime Minister Andrej Plenkovic confirmed that Croatia has requested the nullification of the ruling of the United Nations Commission on International Trade Law (UNCITRAL) in Geneva, which dismissed Croatia's claims against Hungarian oil and gas company MOL regarding the managerial rights in INA.

In late 2016, UNCITRAL has ruled in favor of MOL in an arbitration proceeding brought by Croatia. PM Plenkovic said that the Arbitral Tribunal has ruled that the evidence presented is not sufficient to prove that the agreements signed in 2009 are the result of the corruption activities and refused to nullify them, adding that the Government is strongly opposed to the ruling and it is considering all legal options to contest it. In the meantime, Croatian Government announced its plans to buyout MOL's stake in INA, which should be financed by the initial public offering (IPO) of 25 % minus one share of state-owned power utility HEP.

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