Hungary's largest energy group confirms it has begun planning to enable its refineries to process alternative crude oil.
Overhaul of Hungary's oil infrastructure to handle non-Russian crude oil could cost up to 18 billion euros, Foreign and Trade Minister Peter Szijjarto estimated this week
Hungary's largest energy company is preparing its oil refineries to refine non-Russian oil, a sign that Budapest could eventually support the European Union's embargo on Russian oil despite weeks of opposition.
MOL, which owns three oil refineries in Central and Eastern Europe, has asked its engineers to make plans to operate without Russian oil, the company's production director, Zsolt Huff, said on Thursday.
"We have to rebuild the plane while we are flying," Huff told reporters in Budapest. "It is a process that we must now plan precisely."
He said that MOL, which is partly owned by the Hungarian state, must "prepare for the worst-case scenario, in which we can only process marine [light] oil".
A portfolio of 15 projects in preparation will be presented to the company's board in about two months, and work could begin if the projects are approved, Huff said. The company planned to decide on its investments this year, but is still not fully committed to change, he added.
So far, Hungary has blocked EU attempts to impose an embargo on all Russian oil supplies, whether by oil or tanker, as part of the latest round of sanctions the bloc imposed on Moscow over its attack on Ukraine. A landlocked Central European state is demanding a complete exemption for oil obtained through an oil pipeline from Russia.
The overhaul of Hungary's oil infrastructure to transport crude oil from elsewhere could cost up to 18 billion euros, Foreign and Trade Minister Peter Szijjarto estimated this week, adding that the EU will have to help Budapest pay.
The European Commission is determined to reduce the EU's dependence on Russian fossil fuels, as part of its response to President Vladimir Putin's invasion of Ukraine, but has offered much less than Hungary wants. This week, it set aside about 2 billion euros to help Hungary and other landlocked countries access alternative supplies.
However, talks between the commission and Hungary aimed at gaining its support for a ban on Russian oil have been slow, prompting some officials to speculate that the issue could be discussed at the level of leaders at the upcoming European Council later this month.
MOL has spent decades and billions of dollars on Russian Ural oil refining infrastructure – a market advantage that boosted its recent profits as the price gap between Russian oil and more expensive Brent oil grew.
The company estimated that the modernization of its refinery located south of Budapest so that it could use various oil reserves could cost up to 700 million euros and take several years.

The two MOL refineries near Budapest and Bratislava have a total capacity of 14 million tonnes a year, but the only alternative supply pipeline, which goes through Croatia, can deliver only 11 million tonnes. The upgrade would cost about 210m euros, MOL spokesman Domokos Szollar said.
Source: ft.com