

Romanian oil refineries have overcapacity; downstream business is challenged by price volatility. NIS Petrol, Romanian subsidiary of Serbian NIS oil company controlled by Gazprom have strong business and clear market development plans for Romania.

Romania has overcapacity in the refining of crude oil, compared to local needs, and increasingly fewer export opportunities, given the fact that emerging countries consuming oil products have their own refineries, modern and with few employees, and they satisfy such demand at low cost, stated chief executive for refining and marketing of NIS Petrol, Ileana Bălțatu.

National energy strategy developed by the Ministry of Energy, shows that Romania has refining overcapacity compared to local market needs. About a third of current refineries may no longer be sold by 2030. China, India and all emerging economies consuming petroleum products make their own refineries, large and very modern, with very few employees, producing for those areas at very good prices, so export opportunities are more limited " said Bălțatu.

NIS Petrol is the Romanian subsidiary of the integrated Serbian Oil company controlled by Gazpromneft, the oil division of Russian giant Gazprom. NIS owns the refinery in Pancevo in Serbia, the Vojvodina province, near the border with Romania. In the last 2 years, NIS has increased the production capacity of the refinery in Pancevo, after significant investment in modernization. Much of refinery production is exported to the EU. In Romania, NIS Petrol has several stations operated under the brand Gazprom and a number of oil exploration blocks in the west of Romania.

According to Baltatu downstream business is affected by the current situation in the oil market due to price volatility, represents a challenge because refineries need to source raw materials and petrol petroleum products and if the price is still falling stocks end up costing a lot.

"There is the problem of investment planning in terms of price volatility. The result of the fall in prices was that companies were forced to reduce costs. The breakeven changed. But the shareholder wants predictability, wants to know that it will recover within a certain money invested precise term, "concluded Executive Director of NIS Petrol refining and marketing, transmits Serbia-energy.eu