

After six or seven months, the story of a possible takeover of the control package in the Oil Industry of Serbia from the Russians appeared in the public again, and it comes from the President of the Republic of Serbia, Aleksandar Vučić.

On Sunday, the Financial Times reported his statement that Serbia is considering taking majority control over NIS if EU sanctions are extended to this company as well.

“If there are other sanctions against Russian-owned companies, it will be a big problem for us.” We will definitely have to react, we have to provide enough oil and gas for our people. If no one wants to work with NIS, then we will act”, Vučić told a well-known American business newspaper, adding that for now no decision has been made and that nationalization is not necessary, although all options are on the table.

For the first time, the ownership of NIS was discussed at the end of March, when the EU adopted the fourth package of sanctions against Russia, which prohibited the import of Russian oil by sea, and which for Serbia was postponed until October.

This effectively meant a ban on the import of Russian oil for NIS, given that oil arrives at the refineries in Pančevo and Novi Sad via the JANAF pipeline from the port of Omišalj in Croatia.

In April, Serbia was exempted from these sanctions until October, when the eighth package of sanctions was passed, limiting the price of Russian oil transported by tankers under the flags of EU countries.

In March and April, there was speculation that the majority owner of NIS might change in order to avoid being hit by sanctions against certain Russian companies.

In circulation were nationalization, recapitalization or purchase of shares by the state, as well as some other oil companies.

The Financial Times says in its text that the Hungarian MOL was allegedly interested in taking over the majority of NIS shares from the Russian Gazpromneft.

In April, information appeared in the media that the Azerbaijani state oil company SOCAR might be interested in such a move.

However, at the moment NIS is not under EU sanctions.

Energy expert Miloš Zdravković points out that because of this, there is no need to change ownership in NIS and that there was a lot of demagoguery in the public regarding those EU sanctions.

“The EU passed a package of sanctions that apply to the whole of Europe, and they were not passed because of us. And it was not Croatia’s or JANAF’s decision to ban Russian oil deliveries. The contract with NIS is their biggest contract, and it is in their interest to continue it”, notes Zdravković.

He points out that landlocked EU countries, such as Hungary and the Czech Republic, as well as Bulgaria and Croatia, are exempt from the sanctions on the supply of Russian oil.

“Croatia is exempt because the refinery in Rijeka was built to process Russian oil.” It is

similar in most Eastern European countries. This has never been the case with us, and we have been importing mainly “Kirkuk” oil from Rač since before. So there is no need to take over NIS shares from Gazpromneft, nor has the EU imposed sanctions against Serbia”, Zdravković points out.

However, if NIS is not on the receiving end of sanctions now, one never knows what the tightening of EU-Russia relations will bring in the future.

Željko Marković, energy expert at Deloitte points out that we should not have sold the majority stake in NIS.

“It is better for the energy sector to be majority owned by the state in order to be able to react, and we are not under EU sanctions.” Even at the start, nationalization was mentioned, but that story suddenly stopped. Now they also mention that MOL was interested, and given that it took over the Croatian INA and that it intends to expand regionally, this is not surprising”, says Marković.

He points out that NIS is not currently under sanctions, only Russian oil, but “the question is whether in the future NIS as a Russian company will fall under the impact of sanctions.” By the way, 56.15 percent of shares in NIS are owned by Gazpromneft, 29.9 percent by the Republic of Serbia, while the rest are held in bank custody accounts and in the hands of other investors, Danas writes.