

Croatia is considering shutting down or changing the use of one of its two oil refinery sites, newly appointed energy minister Slaven Dobrovic said Wednesday, implying the government does not expect to secure investment to finance an upgrade of the plant. Croatia's energy firm INA, jointly owned by the Croatian government and Hungary's energy group MOL, owns two refineries, one in the central town of Sisak and another in the Adriatic port of Rijeka.

Zagreb and MOL have for several years been at odds over management rights and over INA's investment strategy and are involved in two separate international arbitrations aimed at resolving their differences.

"It is a sensitive issue which has to be resolved, but not by harming jobs or laying off employees. It is important to find a healthy solution which would preserve the workforce," Dobrovic told reporters regarding the future of the Sisak refinery.

"We are heading towards a post-fossil society," he said. "Consumption of derivatives is falling and it is unavoidable that some refining capacity will have to be shut down," he said. He gave no details of other purposes for which the INA site could be used. He said the government would first discuss any plans internally before it involved MOL.

Dobrovic later said there was no imminent plan to close down the refinery.

INA also said in a statement on Wednesday that there was no decision on the Sisak refinery shutdown and that the company was considering options with the aim of improving its performance and reducing losses.

Croatia's Prime Minister Andrej Plenkovic said he had agreed to meet soon with INA management to discuss INA's future business and development plans. His reaction came after some parliamentary deputies and union leaders reacted strongly to the news of the possible refinery shutdown.

Croatia's conservative-led government took office this month after a snap election on September 11.

source: [hydrocarbonprocessing.com](http://hydrocarbonprocessing.com)