

Romania: China's CEFC becomes the second largest player on fuel market, after taking over ex-Rompetrol

China's sixth largest private company CEFC China Energy Company Ltd will acquire 51 percent of KMG International, former Rompetrol Group, a unit of Kazakhstan's state oil and gas company, which mainly owns refinery and fuel assets in Europe, including Petromidia and Vega refineries and Rompetrol gas stations, a press release informs, according to romaniajournal.ro.

Following this agreement, CEFC becomes the second largest player on Romanian fuel market, after Petrom.

The agreement was part of a package of deals worth a total of USD 4 billion signed late on Monday in Beijing in sectors including oil and gas, telecommunications and nuclear power, with China looking to ramp up business with its resource-rich Central Asian neighbour. The main negotiations between Kazakh and the Chinese sides were held during the 14th Shanghai Cooperation Organization (SCO) Prime Ministers' Meeting, also attended by Russian PM Dmitry Medvedev.

After the announcement, Rompetrol Rafinare (RRC) shares climbed by 12.86 percent on Bucharest Stock Exchange (BVB), being quoted at RON 0.0474/share shortly before 1 PM, compared to the closing price of the previous day.

CEFC plans to invest "billions" of dollars to expand the retail network to more than 3,000 gas stations, sources said. Part of the funding would come from China's USD 40 billion "Silk Road" infrastructure fund, the source added.

It remains to be seen whether the new majority shareholder of KMG International will respect the commitments set out in the Memorandum of Understanding signed in 2013 by the Kazakh company with Romanian State about Rompetrol's historical debt settlement or their renegotiation.

source: energyworldmag.com