

This oil company was on the verge of survival when it was taken over by “Gazpromneft”, all because of the “problem” that arises when you operate in state ownership.

Bringing up again the issue of taking majority control over the Oil Industry of Serbia (NIS) from the Serbian state as a minority shareholder is a way to ensure safe supply of the domestic market in case of tightening of sanctions against Russian companies. But also to enable the import and purchase of spare parts produced mostly by European companies, which are unwilling to supply goods to certain Russian companies due to sanctions against Russia, oil experts agree. The issue of taking majority control over NIS was raised again two days ago by “Financial Times”, reporting the statements of Aleksandar Vučić, the President of Serbia. He emphasized that this issue is being considered, all because of the protection of NIS from the influence of sanctions against Moscow.

Prof. Dr. Petar Stanojević, a long-time special advisor for energy at the Ministry of Energy, tells “Politika” that it is difficult for him to recognize the reason for the intensification of the topic of NIS ownership. “Gazpromneft” has 50 percent of the shares, “Gazprom” which is not under sanctions about 6 percent, the Republic of Serbia 29.8 percent and the rest are small shareholders. According to the provisions of all packages of measures from the first to the eighth, companies with this ownership structure are not subject to sanctions. The measures refer to Russian oil and derivatives, and not to NIS with this ownership structure, which should not cause any problems with business in the areas of investment and maintenance, which involve the purchase of “western” equipment. Of course, the latter does not always have to be true and depends on the attitude of individual companies or supplier countries.

- If NIS were to be transferred to Serbian state ownership, we should take serious care to ensure that it is still managed by professional management so that unpleasant situations do not happen to us, as with other state-owned enterprises. As a reminder, NIS was on the verge of survival at the time it was taken over by “Gazpromneft”, all because of the “problem” that arises when you operate in state ownership. The oil industry is highly exposed to the influences of the world market and does not tolerate improvisations and management by those who do not have enough knowledge and experience. If, in addition to the state, another oil company participated in taking over part of the ownership, it would probably remove most of the fears. In short, NIS is still a “golden hen”, and it will remain so only if it is managed and operated in a knowledgeable and responsible manner.

In support of the fact that the management of NIS has proven to be a good boss with this kind of management, the enviable business results confirm it. Observed only in the second quarter, NIS realized a net profit of 25.7 billion dinars, which is a significantly better result compared to last year, but weaker compared to the record second quarter, which brought a profit of 28.1 billion dinars. In addition to high oil prices, the growth of the company’s

profitability was contributed by the increase in demand on the market, but also by the company's increased market share, especially in retail sales - says Nenad Gujaničić, broker. He adds that the company's income in the first nine months jumped 90 percent to 380.8 billion dinars, due to the increase in the average price of Brent crude oil by 56 percent. If there are no major movements in the crude oil market by the end of the year, NIS could record another 10-15 billion dinars in profit, which would bring 80-84 billion dinars in 2022. This means that shareholders could receive a record dividend of 120 -130 dinars per share, which at the last price gives a dividend yield of 19-20 percent. On Friday, the shares of NIS recorded a growth in value of 2.6 percent to 636 dinars - emphasizes Gujaničić.

Stefica Deđanski, a political analyst, says that the story of taking majority ownership of NIS is not new, but it is a possible solution if things continue to get complicated. The key thing is that it must be in agreement with the Russian side, nothing by force. Fortunately, the situation is now clear from a legal point of view, considering that "Gazprom" has taken over part of the shares, and since it is not under sanctions, there should be no problems. But since the "democratic" West imposed sanctions on Dostoyevsky, Russian cats and the tree planted by Turgenev, we can expect all kinds of things in the future - concludes Deđanski. An interlocutor of "Politika" informed about the oil situation notes that what could be a much bigger problem than the procurement of Russian oil after December 5 is the issue of providing spare parts for the operation of the Pancevo refinery, since most of these parts in the event of failure are procured from European companies that will not or cannot deliver goods to Russia due to sanctions. He states that there is no need to panic because "Janaf" will not be able to receive Russian oil from December, especially since the company's business plan does not even foresee this type of oil for import. "Kirkuk" oil is imported, and Russian oil was bought in the meantime because it was cheaper, which is not normally the case. What our interlocutor does not recommend is that the majority owner, if there is a change, should not be another oil company from the neighborhood that has its own refinery. Because in that case she would only take over the Serbian market. The question is how much would be invested in the refinery and whether those who already have it would even need it, and the heart of NIS is the refinery in Pancevo, Politika writes.