

Italy Puts Lukoil-Run Refinery Into State Supervision: Source

By <u>AFP</u>

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Facilities of the Lukoil refinery are pictured in the Sicilian town of Priolo Gargallo, Italy, Friday, Nov. 18, 2022. **AP Photo/Salvatore Cavalli/TASS**

Italy has placed a refinery run by Russian oil giant Lukoil under provisional state supervision to avoid its closure and guarantee energy supplies, a government source told AFP on Thursday.

The ISAB refinery is one of the biggest in Europe and was in danger of having to cease production because of the European Union embargo on the import of Russian crude oil by sea, which comes into force on Dec. 5.

The "provisional administration" of the Sicily-based refinery will last for a maximum of 12 months, the source said following a cabinet intervention on the issue.

"The emergency intervention is aimed at protecting both a strategic national energy center

and the employment levels so important for Sicily and the whole country," Prime Minister Giorgia Meloni said in a brief statement.

By putting the refinery under state supervision, Rome is following the example of Berlin, which in September took control of the German activities of the Russian oil group Rosneft that runs numerous refineries there.

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Fearing sanctions, European banks stopped financing operations at ISAB and providing it with the necessary guarantees to import oil from other countries.

The ISAB refinery has an annual refining capacity of 10 million tons of crude oil and supplies about 20% of the country's needs.

"This is a temporary solution" to "avoid the stoppage of machinery and activity as well as the resulting job losses," Sicilian regional president Renato Schifani told a cabinet meeting.

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