



By: TA | AP Brief

Bulgaria moves to prevent shutdown of its only oil refinery ahead of US sanctions



Bulgaria is racing to prevent the shutdown of its only oil refinery before **U.S. sanctions** on the Russian owner take effect later this month.

Parliament in Sofia approved legal changes that grant additional state authority to a government-appointed manager of the Lukoil-owned Burgas refinery on the Black Sea coast.

The move came after a top international commodities trader dropped plans to purchase **Lukoil's international assets**, as the company rejected U.S. government allegations of being "the Kremlin's puppet."

Lukoil said it was selling its international assets in response to U.S. sanctions aimed at pushing Russia to agree to a ceasefire in its war against Ukraine.

The company has stakes in oil and gas projects in 11 countries, including the Burgas refinery, as well as gas stations in many countries.

Under the new amendments, the manager is granted significant operational control of the refinery, including the right to **sell its shares**. Opposition lawmakers criticized the changes, saying they could prompt legal action against Bulgaria.

"This person will be granted such extraordinary powers that, in the end, Lukoil will sue Bulgaria — and the money will end up in Russia," said Ivaylo Mirchev, leader of the Democratic Bulgaria alliance.

Temporary restrictions on the export

The ruling coalition introduced the changes, arguing that the U.S. sanctions, scheduled to take effect on Nov. 21, "will effectively lead to the shutdown of the refinery's operations due to the refusal of all counterparties to make payments to Lukoil-owned companies."

In 1999, the Russian oil giant Lukoil acquired the Neftochim plant on the Black Sea. It is the largest oil refinery in the Balkans. Recent

estimates by experts set the value of the refinery at 1.3 billion euros (\$1.5 billion).

The Lukoil-Neftochim refinery is Bulgaria's largest company, playing a significant role in the country's economy.

Bulgaria imposed temporary restrictions on the export of petroleum products, including those destined for other EU members

In 2024, it had a turnover of about 4.7 billion euros (\$5.4 billion). Its nationwide network of oil depots and gas stations, as well as its supply of ships and aircraft, gives it near-monopoly status.

Last week, Bulgaria imposed temporary restrictions on the export of petroleum products, including those destined for other European Union members, to ensure sufficient domestic supplies ahead of new U.S. sanctions on Russian energy.

The ban covers exports of petroleum products, including diesel and aviation fuel.