

Germany Nationalizes Biggest Gas Importer Uniper to Avert Collapse of Energy Sector

Germany nationalized Uniper, its largest utility company and importer of natural gas, on Sept. 21, in a move to keep its domestic energy industry afloat and to avert a collapse of the energy sector.

The government in Berlin had earlier bailed out its largest gas importer in July with a \$14.95 billion rescue loan, in the middle of a worldwide energy crisis caused by the war in Ukraine.

The German government will now buy out the 56 percent stake already held by Finland's Fortum for \$501 million.

The deal will inject about \$7.9 billion into the company via a capital boost at \$1.68 a share, according to Uniper's website.

Since the stabilization package for Uniper was agreed in July, Uniper's situation has further deteriorated rapidly and significantly; as such, new measures to resolve the situation have been agreed," announced Fortum in a statement.

The state-owned German bank KfW, which has already provided \$12.84 billion in credit, will provide further financing to Uniper, according to its liquidity needs until the deal is sealed.

The total rescue package will cost the government around \$29 billion, reported Bloomberg.

This will give the state control of 98.5 percent of the shares of the German utility company.

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