

Transneft Criticizes Venezuelan Oil Route

By The Moscow Times

November 23, 2010



Deliveries of Venezuelan crude to Belarus from the Black Sea may pose a threat to Russian oil supplies bound for central Europe, Russia's pipeline operator Transneft said Tuesday.

Transneft is preparing a letter to the European Union explaining the situation, said Igor Dyomin, a Transneft spokesman.

Belarus reversed the direction of one line in the Druzhba link's southern branch Sunday to carry crude east to the Mozyr refinery, Dyomin said.

"The decision has increased risks to Russian oil deliveries to Europe," he said.

Belarus' use of the line means Transneft won't be able to increase deliveries via Druzhba's southern branch to meet additional winter demand and won't have an alternative route in case of an accident, Dyomin said.

The branch's parallel line continues to carry Russian oil west to the Czech Republic, Croatia, Slovakia, Hungary and Germany, he said.

Russia and Belarus, which are developing a customs union with Kazakhstan, have clashed over oil export taxes as Russia moved to roll back a discount that allowed Belarus to benefit from cheap oil supplies. Prime Minister Vladimir Putin said the duty may be canceled once a free-trade area is created.

Belarus plans to take delivery of as much as 9 million metric tons of crude from Venezuela next year, a Belarussian presidential administration official said in September.

Transneft supplies to Europe have continued uninterrupted through the second line of Druzhba, which is operating at slightly more than its capacity of 17.5 million tons a year, Dyomin said.

The crude Belarus received was Russian oil that Venezuela obtained via a swap at the Black Sea port of Novorossiisk, Dyomin said. The 80,000-ton cargo was carried from the Black Sea to Belarus via Ukraine's Odessa-Brody pipeline, Dyomin said. The next delivery, of 78,200 tons of oil, is scheduled to arrive at the Odessa port Thursday, Kommersant-Ukraine reported earlier this week.

n The Czech Republic on Tuesday extended a contract that guarantees supplies of crude through the Transalpine Pipeline in case those from Russia's Druzba pipeline are interrupted.

The contract between Czech state-controlled oil importer MERO and the Transalpine Pipeline, known as TAL, was extended until 2015, Trade and Industry Minister Martin Kocourek said.

"It's our backup solution in case the Russian side doesn't fulfill its obligations," Kocourek said at a press conference. "This is very important for the energy security of the Czech Republic."

Druzba currently supplies 60 percent of the country's oil imports; the remaining 40 percent are supplied by the IKL pipeline, which brings oil from Germany via TAL.

In case of emergency, the German pipeline is capable of bringing in more than the 8 million tons of crude oil the Czech Republic consumes each year, Jaroslav Pantucek, MERO's chief executive officer, said at the press conference.

MERO is negotiating to acquire a stake in TAL but has no timetable yet.

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