

TNK-BP to Trade Oil From Geneva

By [The Moscow Times](#)

November 29, 2010

The  Moscow Times

TNK-BP, the Russian oil venture owned by BP and a group of billionaires, said Monday that it planned to open a trading unit in Geneva in the third quarter of next year as it expands outside the country.

The addition of the trading division in Switzerland will support TNK-BP's international growth, said Graham Sharp, a vice president at the Moscow-based company.

TNK-BP's billionaire shareholder and interim chief executive officer, Mikhail Fridman, aims to build foreign operations so at least half of the company's output comes from outside Russia. The company agreed last month to buy BP stakes in some Vietnam and Venezuela projects for \$1.8 billion and is looking at a potential bid for BP assets in Algeria.

The Geneva division may handle 2 million barrels a day of crude and oil products in three to four years, with about half of that from TNK-BP's production, said Sharp, who will head the trading unit. It will take over TNK-BP's trading operations, which now amount to about 1.2 million barrels a day, he said.

TNK-BP, owned 50-50 by BP and Russian investors, produces about 1.9 million barrels of oil equivalent a day and accounts for about a quarter of BP's output and a fifth of reserves.

Geneva estimates that the city handles a third of global petroleum trading and 75 percent of Russian oil exports. Litasco Group, owned by LUKoil, Russia's second-largest oil producer, and Gunvor Group, a closely held energy trader co-founded by Russian businessman Gennady Timchenko, have offices in the city. Switzerland has attracted oil and commodity trading companies with tax breaks.

Fridman said in an interview in September that TNK-BP should "expand broadly in the world." The push will be supported by the Russian government, Stan Polovets, chief executive officer of the billionaire partners' holding company AAR, said in October.

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